

HOME NEWS

Post Office engineers eject phase three and give warning that they may not honour phase two

From Tim Jones
Labour Reporter
Blackpool

The Post Office Engineering Union yesterday rejected a phase three pay deal with the Government and made clear that its commitment to honour the current agreement might crumble if inflation rises rapidly or other workers break the 12-month rule.

In addition, the union will demand more money for a productivity deal when phase two ends on July 31. It will discuss later this week plans to take industrial action unless it obtains agreement on a shorter working week by October 1.

Delegates to the union's conference, whose members do not receive the phase two supplement until next month, also instructed the executive to

negotiate the next pay claim on the basis of keeping pace with inflation, which is running at about 17 per cent.

The executive's proposal to honour phase two was carried after Mr Bryan Stanley, the union's general secretary, had warned delegates that if they rejected it they would stand alone in the trade union movement.

If they rejected phase two, he said, they would be faced with the daunting and impossible task of persuading the TUC and the Government that Post Office workers alone should be given exceptional treatment.

But Mr Stanley made it clear that in its negotiations for the 1978 settlement the union would be adopting a tough approach. "We are not prepared to see any settlement after the end of phase two which results in deteriorating

living standards for our members," he said.

Most of the opposition to phase two was based on allegations of the Government's failure to honour its pledges on inflation, employment and prices. One delegate, Mr John Donnelly, said that increasing prices coupled with wage restraint were endangering the structure of the family unit. Another, Mr Philip Lloyd, called for an immediate pay claim of 20 per cent.

By the relatively slim majority of 70,938 votes to 52,199 the conference cleared the way for its representatives to sit on the board of the Post Office during the two-year experiment in industrial democracy.

Under the scheme, which will be the first of its kind in Britain, the board will be reconstituted on the basis of seven union, seven management and five independent members.

Efforts to reconcile Catholics to RUC

From Christopher Walker
Belfast

An important new effort is being made in Northern Ireland to overcome one of the most stubborn barriers in the way of any long-term political solution to the continuing crisis, acceptance of the Royal Ulster Constabulary by the Roman Catholic minority.

In the wake of the successful handling of last month's abortive "McLay" strike by the police, the Government is hopeful that progress can now be made towards reconciling Roman Catholic politicians to a force which is 90 per cent Protestant.

Until now leaders of the Roman Catholic minority have insisted that a guaranteed majority in a devolved government was a necessary condition for their full support of the police. Unionists have argued that unwillingness to give the support was evidence that they did not deserve such a position.

Earlier this week a delegation from the Social Democratic and Labour Party spent more than three hours discussing the situation with Mr Kenneth Newman, the English-born Chief Constable of the RUC, who has been largely responsible for recent moves in its image and performance.

After the talks, Mr Gerard Fitt, leader of the party, said that although the recent examples of imperial policing had made it easier for the minority

to trust the force, there were still areas of serious concern which had been put forcibly to Mr Newman.

Mr Fitt cited the repeated allegations of brutality against RUC members in two Ulster police stations. Although conceding that the Provisional IRA was conducting a propaganda war on the subject, Mr Fitt maintained that there was sufficient uncertainty about methods of police interrogation to warrant an inquiry.

A second reservation was the failure of the RUC to prosecute members of its force named in the proceedings that led to the recent torture hearings before the European Court of Human Rights in Strasbourg.

"These people are still in the force and it is unrealistic to expect the minority population to have lost faith in such persons," Mr Fitt said. One delegation included the RUC complaints procedure and the method for recruitment into the RUC reserve.

Mr Fitt said the party believed that at present many of the recruits would bear a great deal of animosity towards the minority population. He went on to attack the alleged failure by the police to solve secretaries' demands in country areas outside Belfast.

Mr Fitt claimed that the chief constable had promised to look into the whole question of lack of trust for the police among the party and its supporters.

Man in Ulster hospital alleges assault by police

From Our Correspondent
Belfast

The solicitor representing Mr Peter McGrath, aged 64, of Cookstown, who was taken to hospital in Belfast while in police custody, said yesterday that he was taking action on the grounds of false imprisonment and assault.

Mr McGrath, who was detained for questioning in connection with the identity of gunmen who murdered three Royal Ulster Constabulary officers in Co Tyrone more than a fortnight ago, was released from police custody and transferred to hospital in Omagh.

On Monday his solicitor applied for a writ of habeas corpus. Yesterday he was informed that Mr McGrath was no longer in police custody. Life sentences: Two members of the Provisional IRA were given life sentences in Belfast yesterday with a recommendation that they should serve a minimum of 20 years for their part in the booby-trap murder of a part-time member of the Ulster Defence Regiment (the Press Association reports). The two were given sentences of 18 years, to run concurrently with the attempted murder of another part-time UDR man.

'Labour governs or goes'—Mr Callaghan

Continued from page 1
liaison committee or the Chief Whip."

There was some debate later about whether the Prime Minister had referred to "Bills" or "Bill" but those who made a note of the reference said it was in the plural, and that had great significance for a Bill on devolution for Wales. Many on both sides of the Commons would say that if Wales is separated from Scotland legislation, its chances of getting an elected assembly are slim.

Mr McGrath, who was detained for questioning in connection with the identity of gunmen who murdered three Royal Ulster Constabulary officers in Co Tyrone more than a fortnight ago, was released from police custody and transferred to hospital in Omagh.

He said, however, that even though the economy would be infinitely improved next year there would still remain one major flaw, a high level of unemployment. That was a major concern of the Government and ministers were considering how to deal with it.

Against that background, they must expect a higher degree of responsibility from some members, Mr Callaghan said. "I dearly want to win the next election for the sake of the movement. We can achieve that only if we receive full support for all government measures from a united PLP. I look to every MP to support the Government or to tell the Chief Whip now that he is not prepared to do so."

Earlier, Mr Callaghan had reminded his backbenchers that the Commons was not a content and they could not ignore what took place outside. Everyone must realize that a strenuous party as a whole.

Prime Minister presses for compromise

Continued from page 1

He has also to establish agreement, or at any rate a tactical agreement, that three Bills in next session's prospectus will meet Liberal requirements: the Bills on devolution of Westminster to Scotland and Wales on direct elections to the European Parliament (with an element of proportional representation in a regional-list system), and on the modified Bullock proposals for workers' directors in industry.

In short, the Cabinet, like

the PLP yesterday, is being asked by the Prime Minister of a minority Government to settle for half a loaf because the whole loaf is unattainable without a general election.

Mr Callaghan's strongest argument is that no Labour MP in or outside the Cabinet wants to carry the responsibility for forcing the Government into a disastrous early general election. On the other hand, some Cabinet ministers and back-bench leaders want to be free to pursue their interest at the mercy of the block of 13 Liberal votes in the Commons.

Consequently, Mr Callaghan's choice is between timing a general election for the autumn to oblige all three party conferences, which might make his position worse, or soldiering on into 1978, when the economy begins to improve with the flow of North Sea oil, a sounder balance of payments, lower inflation and reduced unemployment.

Nevertheless, if Mr Callaghan decides to try to hold out into a full parliamentary session he may find himself increasingly at the mercy of the block of 13 Liberal votes in the Commons.

The working group set up by the Nature Conservancy Council and the Society for the Promotion of Nature Conservation in Britain to adopt a plan to save its sites.

The group suggests havens for others and some limitation to recreational activities on waterways suitable for otters.



Men of the Royal Military Police celebrating their centenary yesterday by parading in uniforms worn between 1877 and the present for inspection by Brigadier Michael Matthews (right).

Pageant for the Queen on edge of slum site

From Penny Symon

Liverpool

As the Queen watched a musical pageant in Hope Street, Liverpool, yesterday she could also have seen, if she had glanced to the left, one of the city's most derelict and neglected areas.

The pageant began in the Roman Catholic Metropolitan Cathedral, continued in separate scenes in Hope Street, and concluded in the Anglican Cathedral. Hope Street runs parallel to Liverpool's 8, a derelict area for which there have been several plans to turn into something more attractive but they have all founders through lack of finance. One subject on which all the political groups in the city agree is that the derelict and depressing area should be thoroughly refurbished.

Every 10 and 11-year-old in Liverpool's schools, 17,000 children, took part in the pageant, the music for which was composed by Mr Malcolm Williamson, Master of the Queen's Music. It was based on Psalm 23 and was in four parts, corresponding to the four seasons, and divided into eight scenes.

The first took place in the Metropolitan Cathedral, after the singing of Sir John Betjeman's much criticized Jubilee Hymn, the music for which was also composed by Mr Williamson.

The Queen was 40 minutes late in arriving in Liverpool because the royal car had to slow down when a large crowd thronged round it.

Earlier 20,000 people, including a horde of athletic performing schoolchildren, packed Stockport County's football ground at Edgeley Park. The ground, which had been given a touch of new paint, had not seen such crowds for a long time, as the team usually attracts only about 4,000 spectators.

The Queen then visited an aromatic garden for blind people in the Queen's Recreation Ground at St Helens. The garden contains more than 100 varieties of sweet-smelling flowers with their descriptions in Braille. It was constructed by eight young people on a government job creation scheme, and financed jointly by St Helens Metropolitan Borough Council and Pilkington Brothers. The Queen planted a silver birch tree with which George V planted an oak tree in 1913.

Today the Queen begins a three-day visit to Wales.

Man in the news: Mr Ward sees clash as question of rule of law

Owner of Grunwick says he will never give in

By Robert Parker

Mr George Ward, owner of the Grunwick film processing plant, considers that every manager and businessman in the country is suffering under present conditions.

It is getting increasingly difficult to run a business because of the activities of unions and their operation outside the law, he said in an interview with The Times. He regards the dispute in his plant and outside his factory in north London simply as a question of the rule of law and of preventing union bullying.

Mr Ward defiantly demands that he be allowed to go to meet Mr Booth, Secretary of State for Employment, who has been trying to organize conciliation discussions, and demands that the minister should visit the factory.

"I want to talk about the facts, and it would be impossible to do that in Mr Booth's office," Mr Ward said. "Mr Booth has to see for himself that all this rubbish that some ministers and Labour MPs have been talking about rotten conditions and the nineteenth century is not the case."

"I have more than fulfilled my ambitions in respect of the company," Mr Ward said. "He admits he is an obstinate and determined man. "That is how the company has been run for 20 years. I shall never give in to this sort of thing," he said, pointing

Grunwick has been picketed for the past 44 weeks. In the past two weeks action has been organized on a large scale. Ever since the trouble began, Mr Ward has stocked the premises "up to the gunwales" and erected defensive gates and barbed wire.

"We can last out until the cows come home," he said. "We never give in, and we will not be able to force us."

Mr Ward sprinkles his arguments with Latin quotations, and even marcus analogies. He says Apex is like the husband whose wife has been granted a divorce but who still demands her.

"None of my employees wants anything to do with Roy Grantham (the secretary of the union). If you do not believe me, go and ask." Certainly there is no sign of a wish to join the union among those left in the factory.

"So many demolition jobs have been done on me in the press that I am starting not to worry any more," Mr Ward

said. "It does not really bother me what you write."

His father, a prosperous man with a railway company in India, lost his money on the Stock Exchange. Mr Ward obviously takes pride in the fact that he has made his own.

He came to England, where he worked at the Regent Street Polytechnic, then qualified as an accountant. He worked in Rio de Janeiro for three years.

"I came back to England for a holiday, but I was offered an apprenticeship with Apex."

He feels that Grunwick got too big to avoid the attention of the unions.

"Only if we lose the High Court case [where his company is challenging a report by the Advisory, Conciliation and Arbitration Service] saying that Apex should be allowed to join the union, I accept the rule of law and will abide by the court's decision, but I do not think we shall lose. Even if we do, I shall never re-instate the 137."

Unions involved refuse to be thrown off the scent

By Christopher Thomas
Labour Reporter

The trade union movement has found its newest cause célèbre in the 10-month strike at the Grunwick film-processing laboratories in Willesden, north London. The most surprising thing is that it took so long.

Practical and moral support is rolling in from all over the country to the London office of the usually moderate Association of Professional, Executive, Clerical and Computer Staff (Apex).

The union is still dazzled by the glare of publicity, the dispute originally involved just over a hundred people of Asian descent (that number has since diminished) who were not unionized when they went on strike. A small number of Apex members is working normally.

The pickets' banners held aloft every day carry allegations of low pay, exploitation, bad conditions, intrusions, management and anti-unionism.

If they were not enough to stir the heart of every trade unionist, the Post Office workers were involved in legal threats for blacking the firm's mail.

Until recently Apex has had little help from the rest of the trade union movement, and has alone met the £2,700 a week the dispute is costing. But

The immediate issues are a demand for recognition.

The strikers spoke to the conference of compulsory over-

time, sacking without notice, 28 wages for a 40-hour week, no holiday pay and dismissal for joining a union. Women, it was said, had to raise their hands for permission to go to the lavatory. They said that things had improved only marginally.

The only direct contact with the management Apex has had in 10 months has been a 10-minute meeting in the yard between a junior management man and one Apex official. Mr George Ward, managing director of Grunwick, on Monday refused to talk to Mr Booth, Secretary of State for Employment, at a meeting with Apex leaders.

The next few months are critical for Grunwick's seasonal business and Apex believes that the company is already in financial trouble. The unions have found the scent and say they will not give up. Their biggest obstacle is the fact that Grunwick has managed to recruit other Asian workers.

Rule of law crucial issue in postal case, QC says

By Craig Seaton

It was astonishing and extraordinary that Mr Silkin, the Attorney General, had decided not to proceed through the courts to stop a threatened ban on postal links with South Africa by two postal unions earlier this year, Mr Michael French, QC, told the House of Lords yesterday.

He added: "The fabric of society is endangered if anyone, especially powerful institutions or large bodies of people, can set out to disobey the law unchecked."

The House is hearing appeals by the Attorney General against a ruling by the Court of Appeal in January that Mr John Gouriet, administrative director of the National Association for Freedom, was entitled to a temporary injunction to stop a threatened ban on postal links with South Africa and a declaration that such a ban would be illegal.

Mr Gouriet brought proceedings against the unions when the Attorney General refused to lend his name to the action. Mr Silkin contended that Mr Gouriet was not entitled to a declaration or temporary injunction once he had declined to give consent to the proceedings.

Speaking about Mr Gouriet's right to obtain relief through the courts, Mr French said it was open to the Lords to find that someone in Mr Gouriet's position as a matter of principle should have locus standi. If it was necessary for him to do so to establish locus standi, Mr Gouriet would submit that he had it as one entitled to use the facilities provided by the Post Office without interference by any third party.

The hearing continues tomorrow.

the right alone to decide that the court should or should not be in a position to exercise their discretion to make a declaration or grant an injunction.

He submitted that the court had such power, but it would be for the Lords to decide as a matter of principle rather than on authority, the authorities did not compel a decision one way or the other.

Outlining the reasons of principle for a ruling that the Attorney General had no power to block the courts' consideration of matters of public concern, Mr French said that where a law was, or was claimed to be, doubtful, and was in imminent risk of being broken, the public interest prima facie required that it should be clarified.

Widespread damage and inconvenience to the nation, he said, should be prevented, if possible, where the normal criminal processes were powerless to do so.

Speaking about Mr Gouriet's right to obtain relief through the courts, Mr French said it was open to the Lords to find that someone in Mr Gouriet's position as a matter of principle should have locus standi. If it was necessary for him to do so to establish locus standi, Mr Gouriet would submit that he had it as one entitled to use the facilities provided by the Post Office without interference by any third party.

The hearing continues tomorrow.

London: Temp: max 7 am 10 pm, 14°C (57°F); min 7 pm 7 pm, 13°C (55°F). Rain:

ME NEWS

Ministers planned to move governors, 3C chief asserts

Geoffrey Gossling, Charles Curran, director of the BBC, said last sat he had good reason to believe that government's in the 1960s contented removing governors of corporations in order to consent to a proposal that should take advertising

"kind of pressure", he ought to be excluded there is overwhelming support behind it." Welcoming committee's plan to remove governors subject to a parliamentary affirmative vote, Sir said: "Every step be taken to reinforce independence of the board members."

Parties dropped a hint incoming structural in the organization.

"Lecture he said: "is one particularly area where I think we change our ways. That is matter of grading, action of levels of responsibility to different functions of staff."

They were the pioneers, years ago, of grading its among disparate work in a creative function. I believe that we are too far in seeking and have consequently roles trying to make judgments involving in disparate field issues instead

of broad differentials. We that we shall have some of the grade graduate them in order being caught up in to be bureaucracy. It is, in fact, a search for fairness, which is not attainable."

That was also made a reference to the licence fee, particularly in connexion with the proposals for local government of a full system of staff, he said. He would be 65p on each

Bishop of don

Geoffrey Stuart Small, formerly director of the Organizations Research Trust, Africa, has been appointed Bishop Suffragan in succession to the Rev. John Hughes, who died in 1968. The new Bishop, called the Bishop of Northwood, diocese of Northwood, founded in 1962. The trust, advised management and administers churches and other organizations.

Pause in another battle between moderates and extremists

Peace rearing its head in the Poetry Society

By Philip Howard

The Poetry Society meets on Saturday to elect new members of its general council. For the past three years the occasion has been notable more for a clash of symbols, requiring the exertion of a war correspondent rather than a lover of poetry. However, the latest report from the front line suggests that peace is breaking out and that the society is on the mend.

At last June's elections the newly formed Poetry Action Group, consisting of five long-standing and distinguished councillors of the society, managed to persuade members to elect seven liberals to the council to oppose the revolutionaries, experimenters and other extremists.

They included tightening the administration, employing new staff, broadening the scope of the society's artistic programme and ending internal dissension. Its main financial recommendation was that the society's great subject to an end to internal dispute, should be raised from £24,000 to £54,000.

That is not an assumption which anybody calculating the future of this country can possibly accept.

On the proposal in the report of the Committee on the Future of Broadcasting, chaired by Lord Amery, to allow local radio from the BBC and the Independent Broadcasters' Authority, Sir Charles said that although the transfer of local programming to a new authority dependent on commercial revenue would reduce the expenditure chargeable to the licence income, such a change would in no way reduce the amount of national economic resources allocated to broadcasting.

In fact, the proposal to switch local radio from the BBC would increase the amount of resources allocated to broadcasting because the BBC would certainly have to retain its own news-collecting capability in local radio areas in order to provide contributions to its national and international news services.

That was why he had asked the National Development Group for the Mentally Handicapped to carry out a study of mental handicap hospitals and advise ministers on how standards could be improved in the

Since then a bitter battle has been fought to save the Poetry Society from coming under the rule of a group that wanted to promote a particular school of thought.

Last summer the Arts Council appointed its deputy chairman, Sir John Witt, and two members of its Literature Panel to assess the society. The Witt committee reported in October, giving the society 18 months to put its house in order and making some stringent recommendations.

They included tightening the administration, employing new staff, broadening the scope of the society's artistic programme and ending internal dissension. Its main financial recommendation was that the society's great subject to an end to internal dispute, should be raised from £24,000 to £54,000.

The extremists could not stomach when they regarded as stomach by the Arts Council. They determined on the acrobatic feat of committing financial hara-kiri while at the same time biting the hand of the Arts Council that fed them.

Over the past six months the zealots on the council have walked out.

At one time the Poetry Action Group found themselves the Last of the Mohicans. All the other moderate pluralists had been removed by the extremists packing poorly attended elections, or had resigned in disgust. The Poetry Action Group stuck in it because they believed that the Poetry Society is the main institution capable of fulfilling national objectives for poetry.

They point to its excellent work in schools, arts centres, and the regions. They emphasize

its role as a platform for known and new poets of all kinds, and they show that the largest part of the society's grant goes directly to poets, who are the least rewarded group of artists.

Since the extremists decamped, the remaining moderate pluralists have implemented most of the Witt committee's recommendations. Its main cause of concern, intestine discord, has ceased.

The Poetry Action Group is sending a letter to all members of the society recommending a strong list of moderate and pluralist candidates for election.

The Poetry Action Group is the society's members on Saturday. If they follow its advice, the troubled affairs of the society may at last cease to bring poetry into farcical disrepute, and the war correspondents will be able to pack their bags and leave the society in peace.

Thames flood plans to give earlier warning

By Stewart Tandler
Home Affairs Reporter

Nearly eighty local authorities and public bodies are revising plans in London to cope with the possibility of the worst predictable peace-time emergency Britain could face, a Thames flood.

Until 1981, when a series of defences based on a barrier should be complete, London remains vulnerable in the period of seasonal high tides between August and April each year.

Last year the Greater London Council estimated that 45 square miles of the capital's 1,500,000 people and 250,000 homes might be at risk, not to mention industrial plant and the centre of Britain's government.

The reason for the revision of the warning system is a government decision that London's population should be given an earlier warning of risk than in the past.

Since 1968 a flood warning system for London has been in operation, based on the Meteorological Office's centre at Bracknell, Berkshire. Data are gathered from tidal gauges along the east coast and experts calculate what a storm in the far north of Britain might mean for London.

The sort of pattern they are watching for is a depression moving from the North Sea, crossing a storm surge. High winds would push the surge south until it reached the Thames, joined a high tide and sweep into the city.

Bracknell would issue its first warning to London 13 hours before high tide at London Bridge. There would be further notifications at the seven and five-hour stages and at four hours the police and local authorities would start to take precautions.

Three hours before high tide emergency services would go on alert. Police would man prearranged points to divert traffic.

An hour from high tide in London, if the surge was passing, Sirens in London would start howling and the public in risk areas would be advised to keep to high ground or above street level. Old and handicapped people at risk in low-level areas or basement would have been evacuated and transport services such as trains stopped.

The new warning plan envisages a public alert four hours before any flood. Discussions taking place will decide how it should be given. The sirens are likely to remain silent until the final hour, thus the first public warning will probably go out over local radio and television and in the London evening newspapers.

A new batch of information posters and leaflets are being prepared to keep people aware of the risk.

This is also the question of London's commuters. At four hours' warning it should be possible, depending on the time, to get people out of the capital or stop them coming in. The plan envisages warnings at commuter stations round London or using relays to reach 13,000 companies and get them to send staff home.

Apart from instituting the four-hour warning, changes will be made in the other plans for activating emergency services. They are likely to start working after a six-hour warning.

If that all seems unlikely, it should be remembered that 200 years ago tides rose to less than 14ft at London Bridge but 100 years ago they reached nearly 16ft. The threat of flooding is on a vastly scale than before because south-east England is sinking slowly as Britain tilts geologically. At the same time central London is sinking into its clay bed.

In 1928, people were drowned when flood water covered parts of central London, including Millbank.

Pension books charge
Richard Hughes, aged 23, of Coldharbour Lane, Brixton, London, was remanded in custody until next Monday by magistrate at Camberwell, London, yesterday, on charges arising from the theft of 1,200 pension books from a South Norwood social security office.

Child has polio

A case of poliomyelitis was confirmed in Essex yesterday. The patient, a girl aged four from Rayleigh, was taken ill earlier this month while visiting relatives at Harrow Wood, where she is in hospital.

Heart disease rise against world trend

By Our Medical Correspondent

Mortality from heart disease is continuing to rise in Britain although it is falling in the United States, Finland, New Zealand and other western countries. The explanation lies in differences in public concern about health. Professor Jean-Michel Stenner, head of the Department of Community Health at North Western University, Chicago, said in London yesterday.

butter and milk, fewer eggs and more margarine. A recent survey had shown, he said, that two-fifths of Americans had made changes in their diet on

internal organs and the pancreas, the liver and kidneys.

He emphasized the need to remove the 4,500 children under the age of 15 from such hospitals, but pointed out that provision for them in the community had stood still for the past seven years.

Minister puts pressure on Tameside over schooling

Mrs Williams, Secretary of State for Education, has given the Conservative-controlled Tameside education authority until July 12 to submit details of how its plans to adopt comprehensive education are progressing.

Tameside, in Greater Manchester, was the only authority failing to meet the 1972 deadline laid down by Mrs Williams for the eight authorities who had not submitted their plans for comprehensive schools.

Ultrasonic device gives Britain 18-month lead

A British company has developed an ultrasonic scanner giving a three-dimensional picture which, it claims, represents an 18-month technological lead in such aids to medical diagnosis.

Sonicaid Ltd, of Bognor Regis, Sussex, says its machine should help to extend ultrasonic investigative work, now commonly used to monitor a child in the womb, further into such internal organs as the pancreas, the liver and kidneys.

Compared with 10 years ago, there are many more people with raised blood pressure who are receiving treatment. Other factors that might have contributed to the improvement included better medical care and the decreased severity of influenza epidemics in recent years.

Mrs Williams says she now wishes to receive, within seven days of a meeting of Greater Manchester Council on July 5, a report describing in detail progress made.

Student rebates

We regret that processing of recent applications for student rebates has been held up by a technical difficulty which is now resolved. Strenuous efforts are being made to deal as rapidly as possible with the backlog of correspondence. We apologize for this delay.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exemptions might occur, however.

Thousands of coalminers whose homes are either rent free or rent subsidised may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions, requesting them in the light of the Finance Bill to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job.

A spokesman for the Inland Revenue

Libya

We've expanded again!

Libya (the unique Libyan Arab Airlines Service to and from Libya) offers an important addition to its London-Libya service. There are now two extra flights each week, London-Rome-Benghazi with the option of getting on or off at Rome.

Here are the details:-

Tuesdays and Thursdays (all local times).

London-Rome depart 14:15 **Benghazi-Rome** depart 08:45 arrive 10:50
Rome-Benghazi depart 18:15 **Rome-London** depart 11:50 arrive 20:15

This is all part of a continuous programme of development which has trebled the size of the airline in three years.

The fastest, easiest, most relaxing way to fly to or from Libya is by Libyan Arab Airlines.

Arrival and departure times are designed for the utmost convenience of businessmen and others.

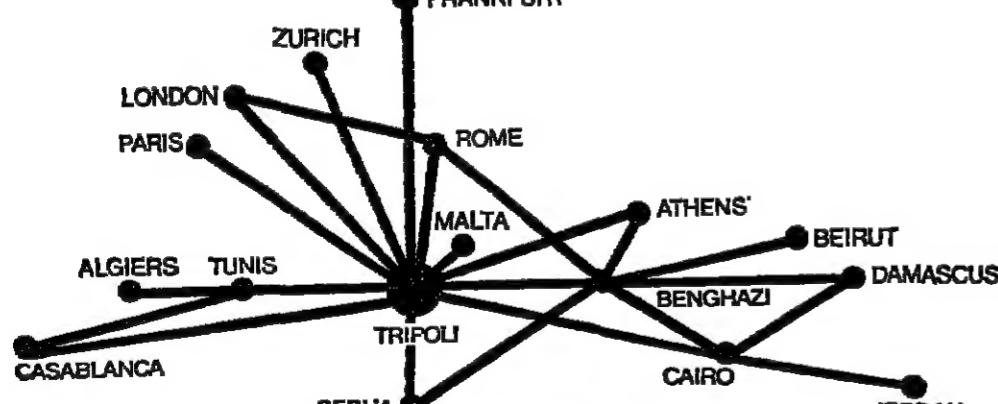
There are excellent onward services from Libya to the Middle East, North Africa, and other destinations in Libya itself.

27 airlines fly to Libya. We are Libya 1.

We would like to remind you of our existing service London-Tripoli, 4 days a week on Mondays, Wednesdays, Fridays and Saturdays.

For further information, please contact our U.K. Manager:- Mr. A. O. Luati. Tel: 01-730 3565/01-821 4242.

Here is our latest route map:-



خطوط الجوية العربية الليبية
LIBYAN ARAB AIRLINES

*SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

HOME NEWS

Clouds rob druids of Stonehenge sunburst

From Alan Hamilton
Stonehenge

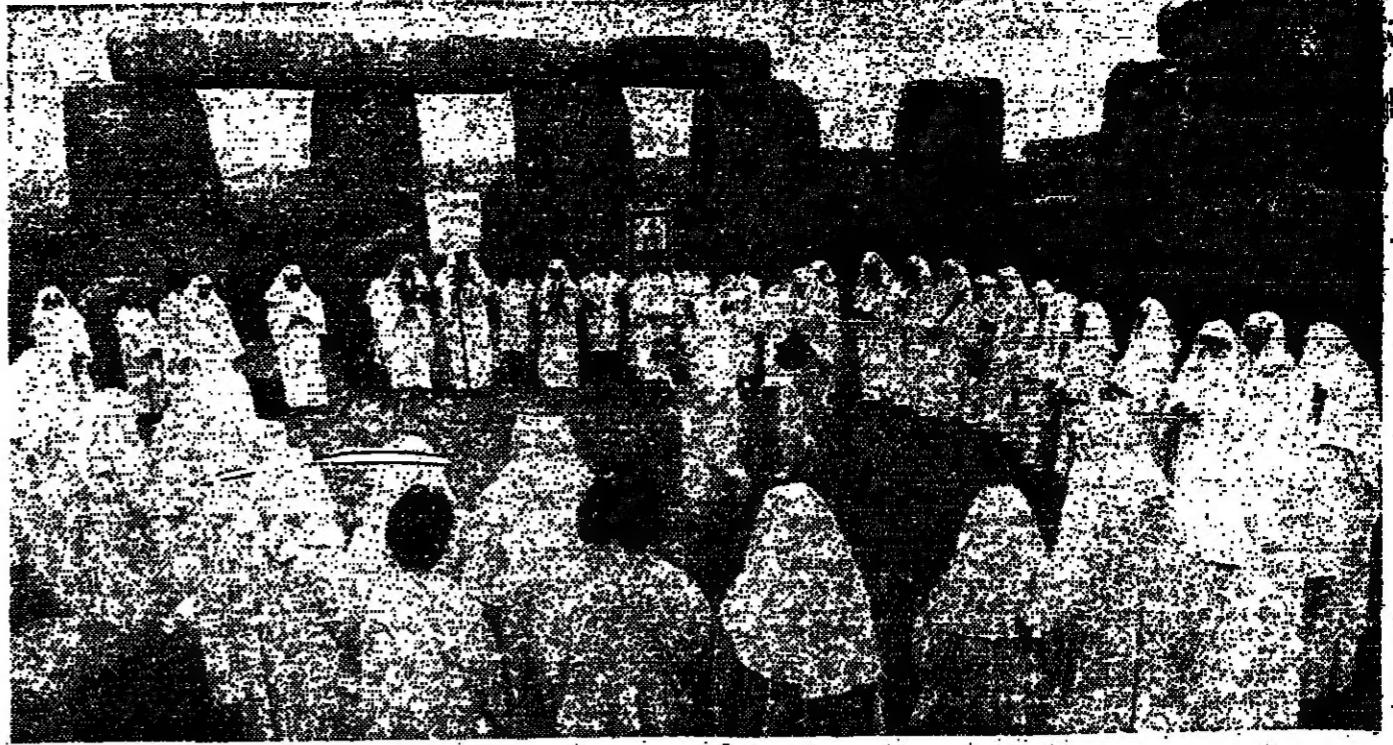
The priests of the old religion, who have the knowledge of the oak tree, gathered in the ancient time-circle of Cathoir Ghall yesterday morning to greet the first shaft of midsummer light, rising above the Sun Stone to strike the Stone of Measurement, banishing the dark mantle and bringing the return of the Golden Age. Unfortunately, it was cloudy.

Nevertheless, the 60 druids persevered in the biting midsummer cold at Stonehenge as the solstice dawned more by the slow turn of a dimmer than by a flick of a switch.

It was the second year running that Stonehenge has been denied the opportunity to prove its mathematical precision by reciting that first burst of sun, but the celebrants were undismayed.

Perhaps the atmospherics of present-day Stonehenge have frightened away the spirit of Awen which the druidic vigil seeks to raise. The monument, which with 700,000 visitors a year is exceeded in popularity only by the Tower of London, is girded by barbed-wire fencing and perimeter lights.

Traffic roared by the Exeter road, the leading druid had to issue a clipped order for television lights to be put out,



The druids carrying out their midsummer sunrise ritual yesterday at Stonehenge.

and a skylark, the first to notice the impending dawn at 3:30 am as it soared above the stones, was obliged to compete with the decibels of a rock concert half a mile away.

A thinner crowd than usual watched from outside the fence, shouting irreverent banter. Inside, police with tracker dogs circled in the lark lest there should be a reappearance of the Walleyes, a rival religion of peace and long hair, whose members occupied the monu-

ment in 1974.

Around the hallowed ground the druids performed their ritual, laying out the symbolic elements of fire, water, bread and salt, and a rose, affirming their adherence to the covenant between heaven and earth, the spirit of supernal brotherhood, and the wisdom of the Words of Gold and of the Triads. Their ghostly white robes fluttered in the chill breeze, revealing beneath an array of boots, jeans, temis shoes and even a kilt.

At 3:55 a false dawn above the Sun Stone proved to be the lights of three aircraft landing.

At 4:58, when it was already light enough to read the order of service, the leading druid blew a fanfare to the four quarters and another senior druid proclaimed: "Now is the dawn". The leader rejoined: "Arise, O sun. Let the beams of thy golden light". It was sunrise precisely, but the cloud refused to move.

Fifteen minutes later, after the druid prayer and benediction, the ceremony was over and a young initiate shifted the Stonehenge underpinnings leaving behind the symbolic leaves from which comes, a name of druid.

At noon, Mr Thomas Craven, who was installed as the new Lady of Cathoir Ghall at Stonehenge, representing the Earth Mother Ceridwen.

Plutonium theft by terrorists a possibility, inquiry is told

From Pearce Wright
Science Editor
Whitehaven

The theft of plutonium by a terrorist group and the manufacture of a crude bomb were real possibilities, Mr C. Coningsby Allday, managing director of British Nuclear Fuels, conceded yesterday at the public inquiry at Whitehaven into plans to build a new plant of oxide nuclear fuel reprocessing plant at Windscale, Cumbria.

The production of such a weapon, he added, was not as easy as popularly portrayed, nor would the theft be of suitable material.

Before cross-examination began yesterday, British Nuclear Fuels answered two of 14 questions put last week by Mr Justice Parker, the inspector to the inquiry, about stocks of plutonium in Britain. He wished to know how much was available from the first generation of Magnox power stations, which started operating at Calder Hall and form the backbone of the atomic power programme of the electricity generating boards. The answer was that 7.5 tonnes of plutonium was available for civil use.

As more than 19,000 tonnes of Magnox fuel has been reprocessed over the past 25 years, and one tonne of fuel yields two kilograms of plutonium, most of that recovered must have been earmarked for defence.

The second answer shows by the year 1990 the civil stocks would rise to 30 tonnes and by the year 2000 to 45 tonnes of plutonium. It is the accumulation of large stocks and the shipment of plutonium as fuel for future generations of fast breeder reactors that lay at the heart of arguments yesterday about proliferation of weapons material either to terrorist groups or to non-nuclear weapons states.

Cross-examined by Mr Raymond Kidwell, QC, for Friends of the Earth, Mr Allday accepted that terrorists might obtain plutonium. Asked if he

accepted an assessment that they could make a crude device equivalent to 100 tonnes of TNT, he said: "They could make something to be exploded".

He did not believe the size of stock materialised, because such a small amount was needed for an explosive device. Above eight kilograms is generally regarded as enough. He made a clear distinction between controlling terrorist groups, who were a menace whatever explosive material was involved, and the creation of new weapons states.

Agreeing that Britain should not make plutonium available to non-signatories of the non-proliferation treaty, he accepted that plutonium had been supplied to Japan before the Japanese signed the treaty, and fuel contracts existed with Spain, another non-signatory.

Plutonium was supplied to a foreign country only with government approval. Referring to the £600m contract under negotiation with Japan to reprocess waste fuel over the next 15 years at a new plant at Windscale, Mr Allday said the return of plutonium would be made only when a clear need was shown.

More formal planning issues than had been discussed so far were raised by Mr George Dobie, QC, representing the Attorney General of the Isle of Man. He asked if alternative sites had been examined. Mr Allday suggested that one or two new reprocessing plants equivalent to the one planned for Windscale might be needed by the end of the century, but the present proposal had been confined to Windscale as the most suitable site.

Mr Dobie contested the plan on the grounds that Windscale was the most unsuitable site in the country on planning grounds. The areas adjacent to the plant were lauded as of outstanding natural beauty and scientific importance and the plant was on the border of Britain's most important national park. While defence needs in wartime had allowed Windscale to be built with no planning consideration, the extension was not acceptable.

Mr Dobie said a reprocessing plant should be away from a national park, away from an area of beauty and scientific interest, and in one with satisfactory transport facilities.

Chance of explosion at chemical plant 'remote'

The chances of an explosion at a chemical plant resulting in a huge poison cloud over north Derbyshire was described as a potential inquiry at Chesterfield yesterday as very remote.

Lord Colville, for Vinatex Ltd, was giving evidence into the start of the inquiry into the company's plans to spend £20m on doubling the size of its pvc polymerization plant at Staveley. The company, jointly owned by British Steel, the National Coal Board and an American oil company, wants to be able to produce 120,000 tons

of pvc a year instead of 60,000 tons.

Chesterfield Borough Council has opposed the plan amid fears

that an explosion could send a massive poison cloud over the homes of 80,000 people living in the area.

Lord Colville said the expansion plans had been passed as adequate by the Health and Safety Executive. He added:

"If there had been any vestige of doubt as to undue risk, this would not have been considered. Vinatex is a safety-first company."

Army needs all land it holds on Dartmoor

By Henry Stanhope
Defence Correspondent

A public inquiry into military training on Dartmoor has confirmed that the Ministry of Defence needs all the land it holds there. But it acknowledges that the combination of military training and a national park is "discrepant, incongruous and inconsistent".

It also recognises that the conflict between the two is more acute on Dartmoor than in any other national park in Britain.

It makes recommendations that could achieve a better balance between the conflicting needs of holidaymakers and the Armed Forces in an area that is regarded as one of Britain's foremost tourist attractions.

Meanwhile the Government, in a White Paper published simultaneously, has agreed to look at most of the proposals, designed to reduce training on Dartmoor ranges and to improve public access to the scenic areas.

The inquiry by Lady Sharp was established two years ago to look into military training on Dartmoor after several people had expressed dissatisfaction with the findings of the Defence Lands Committee, 1971-73.

Her conclusions, however, generally support the previous committee's statement that "given the situation as it is, the Ministry of Defence need all their training areas on Dartmoor".

Moreover yesterday's White Paper, published jointly by the Secretaries of State for Defence and the Environment, confirms that despite manpower reductions and reconstruction in the Services, demands for training land on the moor is unlikely to diminish significantly.

Indeed it points out that while it accepts Lady Sharp's recommendations in principle, the cuts in defence spending will make it more difficult to implement any other might

increase in training areas.

It also notes that the inquiry's recommendations should be entitled to consider the area "as the double assault from noise on the national park is extremely damaging".

A representative of the Countryside Commission last night welcomed the recommendations, but expressed disappointment that the inquiry report was not more positive.

He also hoped that reports of the proposed conservation machinery would make public.

Lady Sharp, in a footnote to her report, urges that the proposed consultative body should be entitled to consider flying by military aircraft over the area "as the double assault from noise on the national park is extremely damaging".

Dartmoor: a Public Local Inquiry held in December 1975, and M 1976 (Stationery Office £2.75). Statement on the Non-Smoking in Continued Use of Dartmoor for Military Training (Stationery Office £2.50).

More airlines providing for non-smokers

By Our Health Services Correspondent

Britain comes third in a table of airlines that offer a service to non-smokers. Air Stirling and British Airways are top.

Publishing the result of a survey of 56 airlines, ASH says that three-quarters provide smoking seats, compared with over half in 1975. The average of non-smoking varies from 84 per cent on E air to 11 per cent on Tui Airlines.

Since 1975 nine airlines, previously without non-smoking seats, had provided some, and airlines had increased smoking provisions. ASH's More airlines were offered non-smoking accommodation increased as well as scheduled flights.

Finnair, which said that it was the first airline to provide smoke-free accommodation, offered the best service to smokers, prohibiting smoking on all domestic flights of 40 minutes.

The 13 airlines offering more seats to non-smokers were: Finnair, Czechoslovak Airlines, British Airways, Trans World Airlines, Canadian Pacific Airlines, Aer Lingus, Air India, Airtricity, Air Europa, British Caledonian Airways, British Vickers, Pan American Airways, South African Airways.

Mr Michael Daube, director of ASH, said that he had written to Mr Dell, Secretary of State for Trade, urging that provision of non-smoking accommodation in aircraft should make a criterion for licensed aircraft to land in Britain.

Gypsy site move

Clwyd County Council is to hold a county conference in March to discuss establishing a permanent gypsy site in west Wales.

Director 'flabbergasted' at profit on land deal

From Michael Hornsby

Chelmsford

John Guthrie, managing director of a company of property developers, accused in the Tedfold Stod Farm case, said at Chelmsford Crown Court, Essex, that he was flabbergasted at the profit made on the land deal.

The 350-acre estate in Essex, which is company-owned, was sold in 1972 to £225,000, was resold for £406,000 three weeks later.

Mr Guthrie, aged 69, told Mr Justice Evelyn and the jury: "It was very embarrassing to me, because one is not accustomed to making profits of that magnitude. We usually work on a 10 to 15 per cent basis of profitability. To get one of this magnitude was quite unlike of us."

"I think it was just in accordance with the way the property market was moving. At the time the banks were more or less inviting people to go along and borrow money, and that was the reason the property market sailed ahead as it did."

Mr Guthrie said Mr Derek Rinchie, an estate agent, made nearly £15,000 on the resale. Mr Rinchie, aged 50, and Mr Guthrie, together with Broadland Properties, have pleaded not guilty to two charges of conspiracy to defraud.

Earlier, Mr Guthrie said he

wanted a quick resale of the estate because of his company's commitment on another land deal, the Bewbush estate in Sussex.

The prosecution said that in a statement to the police Mr Guthrie had said the Bewbush deal involved the purchase by Broadland of 617 acres for £325,000 in 1972, in conjunction with Reed International, after discussions with Lord Ryder of Baron Hastings, then Reed's chairman. Part of the land was sold for £7m five months later. The Bewbush deal was not the subject of any charges.

Mr Guthrie said that "we were going to be in a tight financial position", and over-committed. On about October 4, 1972, Mr Rinchie offered to take a 10 per cent stake in the £235,000 Tedfold transaction, and sent a cheque to cover a deposit on that amount.

Mr Guthrie added: "Anyone who took a share in providing purchase money for Tedfold was taking a risk. He... had to bear 10 per cent of the loss if there had been one."

Mr Guthrie denied that he had deliberately destroyed copies of a letter he had sent to Mr Rinchie on August 15, 1972, which the prosecution says corroborates a secret deal between the two men.

The trial continues today.

Journalists stay on strike

The strike by 14 journalists at the London office of Westminster Press continued yesterday after plans for a settlement put forward by the National Union of Journalists' chapel (office branch) were not accepted by the London editor, Mr Martin Davies. Mr Stephen Cook, clerk of

the chapel, said the chapel wanted a formula that would allow members to work normally for newspapers not on strike, but would not force them to take strike-breaking action by supplying reports to Darlington, where 106 journalists employed by the group are on strike.

The BBC says it is hoped that the programmes will be used in special schools and adult training centres. They will encourage the development of social skills.

WEST EUROPE

Parisians greet Mr Brezhnev in stony silence from behind unprecedented security guard

From Our Own Correspondent
Paris, June 21

Unprecedented security precautions marked President Brezhnev's appearances in Paris today on the second day of his state visit.

Uniformed, plain-clothes and riot police in battle rig with rifles were almost as numerous as the public along his route. For instance, the whole of the Rue de Grenelle, from the Esplanade des Invalides to the old Soviet Embassy, where a reception took place, had been cleared of all parked cars, lined with crush barriers, and piquetted at every street corner.

What was most awesome, however, was the palpable stone silence with which Mr Brezhnev was greeted by the crowd the whole length of the Champs Elysées.

Today the Soviet leader laid a wreath at the Arc de Triomphe, received delegations of Franco-Soviet friendship

associations, paid a brief call on the Mayor of Paris at the Hotel de Ville, and was entertained to a state dinner at the Elysée Palace.

The call at the Hotel de Ville was a hastily improvised affair, but M Jacques Chirac, the Gaullist leader, who is also Mayor of Paris, got his way in the end, in spite of the deliberate efforts of the Elysée Palace to leave him out of the rejoicings. Mr Brezhnev met 109 Paris councillors, who met a dozen officials were all that could be mustered at short notice for the ceremony.

The discussions between Mr Brezhnev and President Giscard d'Estaing at Rambouillet yesterday afternoon and this morning were unusually frank. There was some forthright speaking on both sides. The netties of détente and disarmament were firmly grasped, the two sides by no means converging on all issues.

This morning the Soviet President expressed concern over what he called the "increased contribution of France to the Atlantic Alliance", and according to the Soviet spokesman, he referred to a possible change in French military policy, criticising the new doctrine of the "forward battle" outlined by General Mery, the chairman of the French joint chiefs of staff.

"There is a lot of talk about this forward battle," the Soviet leader said. "But against

President Giscard d'Estaing put the record straight. France was all for détente, he emphasised, but this must not stop short of the military status quo.

Paris, June 21.—A Matra-luxury cross-country vehicle, given to Mr Brezhnev, was being resprayed with blue paint today, because he did not like its green colour. — Agence France-Presse.

Italian industrialists jailed over use of chemicals that killed eight workers

From Our Correspondent

Rome, June 21

The prosecution blamed the disease on two substances: benzylbenzylamine and benzidine, which it claimed were widely known to cause cancer of the bladder. The defence maintained that none of the substances or processes used at the factory was forbidden by law.

Witnesses told the court that workers' complaints about abdominal pains and blood in their urine fell upon largely deaf ears.

The two factory owners, Alfredo and Serafino Ghisotti, were sentenced in six years' jail, the factory doctor, Giovanni Mussa, and the general manager, Paolo Rodano, to four years, and the technical director, Silvio Ghisotti, to three years.

They were found guilty of manslaughter and also of causing bodily harm to four other workers. The five were ordered to pay all costs and compensation, which will be settled by another court.

Chancellor has full support in Bonn vote

From Dan van der Vaart
Bonn, June 21

After last week's rebellion against tax reform, the parliamentary parties of the West German ranks, though coalition, closed ranks to oust the belated Herr Schmidt, the Chancellor.

In a complete turnaround by deputies, the coalition recorded its maximum possible majority, 10, in defeating an opposition censure motion in the Bundestag against the Chancellor.

The censure move, resulted from a ruling by the Federal Constitutional Court that Herr Schmidt had, as Finance Minister in 1973, by-passed Parliament in authorising supplementary expenditure on his own responsibility to counter the oil crisis.

The court, in its judgment, said he was only following the practice of all his predecessors.

Today was the opening day of a four-day debate on the 1977 budget of DM170,000m (£42,500m), during which the estimate for the Chancellery itself was considered. The section was also passed with the maximum possible coalition majority of 10.

Last week, the Government narrowly survived votes on tax reform. The left wing of the ruling Social Democrats opposed concessions reducing wealth and company taxes and five deputies either voted against or abstained.

RAF climber killed

Chamonix, June 21.—A 20-year-old Briton, whose identity was given as Kevin Barber, of Birmingham, was killed yesterday when he fell while descending the Aiguille du Goûter near Mount Blanc with five other Royal Air Force climbers

announced here that it had decided to dissolve itself.

Paris, June 21.—The Spanish Republican Government-in-exile

announced here that it had de-

cided to dissolve itself.

OVERSEAS

Russia rejects plan to hasten work at Belgrade conference

Belgrade, June 21.—The Soviet block today rejected a Finnish plan to hasten procedural discussion at the European security conference.

Finland proposed a leapfrog technique, with the bypassing of the deadlocked agenda item to see if agreement would be easier on organisational matters.

The discussion was in the fifth day of a planned six-week preparatory session to set guidelines for a conference at a higher level, expected to begin in October, when human rights will be the key issue.

Mr Yuli Vorontsov, the Soviet chief delegate, insisted on completion of an agenda as a first task, called for approval of a Soviet draft which the West says would be the human rights issue.

The Finnish idea, supported by Britain and Norway, was to continue private discussions on the agenda item, while moving on to organisational questions inside the formal preparatory meeting, diplomats said. The agenda would be taken up later.

Bulgaria, Czechoslovakia and Poland supported Soviet views during the two-hour closed session.

At Bulgaria's proposal, a planned afternoon session was cancelled to avert a compromise proposal on the agenda under preparation by nine neutral and non-aligned nations.

Conference sources reported intensive informal contacts with both East and West trying to discover whether the neutral plan would help to break the deadlock.

Approval of an agenda for the main conference was blocked when the EEC and the Soviet Union presented conflicting proposals last week.

Strict police guard for Comecon summit

Warsaw, June 21.—Government leaders of Comecon, the communist economic grouping, began a three-day summit here today to discuss long-term joint ventures in energy and other key economic sectors.

The eight prime ministers and one deputy premier from the nine member states of Comecon—officially the Council for Mutual Economic Assistance—began their annual session under strict police guard at Warsaw's new Hotel Victoria-Intercontinental.

Their main task is expected to be a review of progress in drawing up 10- to 15-year co-operation programmes in five fields which were announced at last year's session in East Berlin. The sectors are fuel, energy and raw materials, engineering, food production, consumer goods and transport.

Of these questions, the problem of fuel and raw material supplies for the fast-growing economies of the Comecon countries appeared likely to dominate the discussions. But the meeting was slow to get down to business, because speeches on this year's sixtieth anniversary of the 1917 Russian Revolution occupied the session's opening stages.

Bhutto tour holds up election pact

Islamabad, June 21.—Negotiations between members of the Pakistan Government and Opposition leaders came to an abrupt halt today after the two sides were unable to reach a compromise settlement over demands for new national elections.

Opposition leaders said they would await the return tomorrow of Mr Bhutto, the Prime Minister, from a Middle East tour before resuming the talks.

Both the ruling Pakistan People's Party and the opposition Pakistan National Alliance had been hopeful that a final settlement could be reached and formal agreement signed by Friday, paving the way for fresh elections in the autumn.

Professor Ghafur Ahmed, secretary-general of the Pakistan National Alliance and one of the opposition negotiators, said today: "The remaining differences which rose during his talks with the Government representative, Finance Minister Abdul Afzal Pirzada, can only be sorted out on Mr Bhutto's return from his current Middle East tour."

Mr Pirzada said the disagreements related to the date of dissolution of the National Assembly.—AP.

Tehran, June 21.—Mr Bhutto said here today that a new election would be held on October 7.—Reuters.

US envoy is hopeful about Salt

Moscow, June 21.—Mr Paul Warnke, the chief American arms negotiator, arrived in Moscow today with a substantially more optimistic view of strategic arms limitation negotiations than the Soviet Union had been voicing.

Asked to describe the atmosphere of concluding talks on Salt 2 agreement, Mr Warnke told reporters: "We are quite encouraged. We think that substantial progress was made in Moscow in May and that the sides are beginning to come to some kind of a general understanding as far as a framework for negotiations are concerned."

The two sides were making "significant progress as far as the remaining issues go", he said. "We are guardedly optimistic."

Mr Warnke is in Moscow to head a United States-Soviet working group on military competition in the Indian Ocean, established during talks here in March. M. Vance, the American Secretary of State.

He said Salt matters "are not the purpose of this delegation".

He was greeted at the airport by Mr Georgy Kornienko, Deputy Foreign Minister, a senior Soviet arms negotiator, but who told most of his talks with Mr Lev Mandelovich, who of lower rank.—AP.

Jail for Eoka men over riot in which US envoy died

Nicosia, June 21.—Two Greek Cypriots were jailed here today for taking part in a riot outside the United States Embassy in August, 1974, in which the ambassador and his secretary were killed. Ioannis Klimatias, a former police sergeant, aged 35, was sent to prison for seven years, and Neophytos Leftis, a mechanic, aged 50, for five.

The riot followed the Turkish invasion the previous month which left a third of the island in Turkish hands. When their trial began both

What future for London?

Thames Television's Jubilee project London Looks Forward, designed to study and awaken interest in the future of London, is culminating in three events.

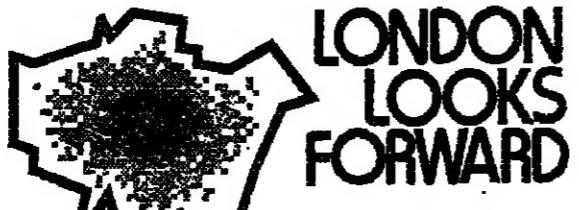
Tonight, in the Thames ITV area only, most of the evening's viewing will be devoted to a two-part special programme. *The Living City & The Future City* begins with a ninety-minute documentary at 8.30, and continues after News at Ten with a live debate until midnight.

On July 4 HRH Prince Philip Duke of Edinburgh will open the London Looks Forward Conference at the Queen Elizabeth Hall. For two days the representatives of national and local government, public authorities, business and industry, trade

unions and many other interested bodies will meet to discuss future policy and action over jobs, housing, transport, and the social and cultural life of London.

And on July 6 at 7.00pm HRH the Duke of Edinburgh will take part in a final programme reporting to viewers on the conference and its outcome.

London Looks Forward is a unique project, which aims not only to stimulate debate on the vital issues of London's future, but also to communicate these issues as widely as possible to the people of the capital city. We hope it will prove to be a fitting and constructive contribution to the Queen's Silver Jubilee Year.



Thames Television 306-316 Euston Road London NW1 3BB 01-387 9494

Russia rejects
hasten work
Belgrade continues
to continue 'tireless efforts'
constitutional settlement

Correspondent

June 21
revision, pump and
that reflects the
us and tradition in
a new session of
ian Parliament was
today by Mr John
President.

salute was fired by
in Cecil Square,
the Hawker Hunter
overhead in bril-
sunshine, and the
President of this
public inspected a
our drawn from
iders of the Rhode
Unit.

minute speech Mr
edged the Govern-
including search for
settlement in co-
th Britain, and said
e He said it would
tireless efforts to
nstitutional settle-
 Rhodesia which will
sure the main-
existing standards
guard the interests
groups and guar-
ants of individuals." "The
nent is therefore
fully, with the
British Govern-
ir latest initiative
that, with their
support, it will be
provide a secure

arnard
panzee

S
Ashford
June 21
an Barnard, the
cardiac surgeon,
Town today that
use chimpanzees'
future transplant
er the failure last
operation involving
art.

ed Italian woman,
d in the Groote
ital early today,
hours after pro-
d attached the
aboon to her fail-

1, who performed
first human heart
transplantation at the same
967, told a press
today that the
art had proved
all to carry the
circulation. Alone
a heart began fail-
tion would have
stil if he had
human heart, but
sight
ed that a chimp
was larger than
aboon and would
able to carry
the patient's circ-
he problem of
also less acute.
had decided to
s heart in a last
empt to save the

It was the first
carried out an
ing a baboon's
"booster" team had carried
rt surgery to re-
sively insert a nor-
a larger one, but
bar the patient's
each time they
the heart-lung.
Barnard pointed
machine could
indefinitely as its
blood elements.
ther means had
ne possible solu-
a heart trans-
man donor was
ded. "But I had
the same blood
patient, and I
the heart. The
of two kept at

its heart had
the patient was
the heart-lung.
while both
working well and
briefly regained

patient's own
ated again and
couldn't get it to
he baboon heart
cope with carry-
circulation and the

ed, he said, that
art would have
assist circulation
ree days. In the
er the patient's
ould have been
alone or else a
would have been

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

operation might
if the baboon
d been carried out
it was a new
we tried to do
know first".

tempted animal-
transplant took
when Dr James
e University of
itched the heart
into a 65-year-
survived for only

as a post-graduate student at

OVERSEAS

Addis Ababa's rail link to Djibouti broken by insurgent forces

Addis Ababa, June 21.—Insurgents have blown up five bridges along a vital rail link between Addis Ababa and the port of Djibouti since the beginning of June, diplomatic sources said here today.

It will take between three and four months to repair the 500-mile line, according to estimates quoted by the sources.

They said rail traffic goes no further than Awash station, 140 miles from the Ethiopian capital, after an attack last Thursday on a bridge between Awash and the town of Dire Dawa. One bridge was damaged as soon as after being repaired, the sources said.

Ethiopia blames the attacks on guerrillas trained and armed by Somalia in support of Mogadishu's claims to a large slice of territory south of the railway line, which carries more than 60 per cent of the country's foreign trade.

The sources said repair work was concentrating on the Awash-Dire Dawa section because most of the insurgents were in the area to the south of Dire Dawa up to the border with the French territory of the Afars and Issas, which becomes the independent republic of Djibouti on Monday.

Original estimates that the repairs would be completed in two to three weeks have been altered drastically to between three and four months, the sources said. Even the revised estimates would depend on the availability of Ethiopian forces to clear away the guerrillas.

There are indications that some of the tens of thousands of militiamen being prepared for a huge parage here this week will be sent to the south-eastern area because of the seriousness of the situation there.

All lorry drivers have been given notice to stand by to transport the militia and fuel companies have been told to make sure their outposts are well stocked on the route north. The Government is facing stiff opposition from three independence movements in Eritrea, as well as other anti-Government groups throughout the north.

Lieutenant-Colonel Mengistu Haile-Mariam, the Ethiopian leader, has accepted an invitation to attend the independence celebrations in Djibouti. The Ethiopian news agency quoted Colonel Mengistu as saying in reply to an invitation from President-elect Hassan Ghoulou.

"Ethiopia is convinced that a genuinely independent state

President accepts Mr Ecevit's Cabinet

From Sina Flock
Ankara, June 21

In spite of last-minute protests from right-wing parties, President Koruturk today accepted the government list submitted to him by Mr Bulent Ecevit, president of the social democratic Republican People's Party (RPP).

His visit to the former French territory will only be the second made abroad by the Ethiopian leader since he came to power in February this year after a gunfight at the headquarters of his military council. His first visit was to the Soviet Union last month.

Labourers are working around the clock to prepare for the parade expected later this week as a prelude to mass mobilisation against anti-Government forces.

Revolution Square, a vast crescent built after the Marxist military rulers took power from the late Emperor Haile Selassie in 1974, is being paved for the show of force. The date for the parade, which follows an address to tens of thousands of newly-recruited militiamen by Colonel Mengistu, has not been announced partly, observers suggested, because the square is not yet ready.

There has been no official indication of where the militiamen who, diplomatic observers say, number between 80,000 and 100,000, will be sent from their camp on the outskirts of Addis Ababa.

Informed sources said two aircraft loads of soldiers and militiamen have been flown daily from the Eritrean capital of Asmara to strengthen defences against the independence movements.

Appeals have been made to the camp population. The official *Ethiopian Herald* reported today that prisoners, pensioners, shoeblacks, porters and blind students had joined businessmen in contributing money.

It was still not enough, however. "By the force of the militia, the reactionary attacking force will be liquidated and the revolution and the life of the motherland will be laid on a concrete foundation," the newspaper said—Reuter.

Mogadishu: The Western Somali Liberation Front, in Ethiopia's eastern Ogaden region, has shot down an Ethiopian military aircraft and destroyed two army vehicles in fierce fighting with government forces, the Somali national news agency reported today.

The agency said the incidents took place along the Harar to Dire Dawa highway last Wednesday. In another

battle on the same day 70 Ethiopian soldiers were killed. "Ethiopia is convinced that a genuinely independent state

New W Bengal government frees political prisoners

From Our Correspondent
Calcutta, June 21

All political prisoners in West Bengal will be freed by the state's first Communist-led government, which was installed in office today.

The prisoners, whose numbers are not yet known, include Naxalites (Marxist revolutionaries) one of whom, still in jail, won a seat in last week's election to the state assembly.

The amnesty was announced in Calcutta today by Mr Jyoti Basu, the Marxist Communist leader, after he was sworn in by Mr A. L. Das, the state's Governor, as Chief Minister.

Mr Basu was Deputy Chief Minister in two United Front governments in 1962 and 1969. He is known to be a pragmatist and an able administrator.

Four other ministers who took office today included Dr Ashok Mitra, as Finance Minister. He was once chief

economic adviser to Mrs Indira Gandhi's Government in Delhi but resigned over policy differences. He was a visiting professor at Sussex University during the emergency.

The Government has been formed by the leftist front of five parties led by the Communist Party of India (Marxist). The party won commands a majority with 178 of the 234 seats in the Assembly.

Mr Basu told the crowds watching his swearing in ceremony on the lawns of Government House: "I am confident that our Government will complete its five-year term."

Mr Basu was Deputy Chief Minister in two United Front governments in 1962 and 1969. He is known to be a pragmatist and an able administrator.

Four other ministers who took office today included Dr Ashok Mitra, as Finance Minister. He was once chief

Seoul to spend £235m on arms industry

Seoul, June 21.—President Park Chung Hee of South Korea today proposed that the country should spend more than \$400m (some £235m) in building up its arms industry in preparation for the planned withdrawal of United States troops.

He presented a supplementary finance Bill to the National Assembly providing for extra expenditure equivalent to \$435m, most of it on arms and supporting industries.

The proposed allocation, which represents a 7.9 per cent increase in the original budget for 1977, will be financed by increased domestic taxes, defence surtaxes and a revenue surplus held over from last year. Reuter.

28 anti-nuclear protesters held in Sydney

Sydney, June 21.—Twenty-five demonstrators of the "Friends of the Earth" movement were arrested today when they stormed a wire security fence in Sydney harbour to reach a ship being loaded with uranium.

Another three were arrested last night at the site when some 100 demonstrators crashed through the fence to appeal to dockers not to load the uranium, which is to be refined in Britain.

Some of the 100 demonstrating today, after a night-long vigil, ran down a steep embankment to try to climb the fence. Scuffles broke out between the police and the demonstrators who had followed a convoy of 12 lorries with the uranium from the Australian Atomic Energy Commission's headquarters on the outskirts of Sydney. Reuter.

OAS majority resisting US on human rights issue

St George's, Grenada, June 20.—The debate on human rights that Mr Cyrus Vance, the United States Secretary of State began at the meeting here of the Organization of American States (OAS) last week is highlighting differences within the Western Hemisphere.

Washington and several other democratic regimes have called on the 25 OAS members to take a clear stand for human rights.

But countries accused of practising torture, summary executions, imprisonment without trial, or suspension of constitutional guarantees are a majority within the organization and they are resisting pressure from Washington on this issue because they consider this to be interfering in their internal affairs.

The United States allies are Costa Rica, Venezuela and

several small English-speaking states in the Caribbean. But the latter are relatively new OAS members and have little influence within it.

Argentina, Chile and Uruguay want the human rights issue to be closely linked with terrorism and Marxist subversion, so they can justify their emergency measures on the grounds of state security.

In Grenada itself, an open-air meeting organized by opponents to Washington's stand on human rights was brutally broken up by the army yesterday. The incident brought protests from reporters and Alejandro Orfila, the OAS Secretary-General, demanded an explanation from the Government about the troops' behaviour. — Agence France-Presse.

Japanese stung by whaling accusations

Canberra, June 21.—Members of the scientific committee of the International Whaling Commission attacked the Japanese delegation here today for using scientific permits to kill whales for their products rather than for scientific research. The commission again refused to allow journalists to attend the meeting, but delegates said there had been angry exchanges over the Japanese issue.

Members of the scientific committee are reported to have asked Japan to provide the meeting with the information it had derived from the sei whales it had killed under the "scientific" permits.

As tempers rose, Seizei For-

tom-Gouin, the Panama commissioner, asked the Japanese delegation if Japan would abide by the scientific committee's recommendations on the quota for the coming season.

Mr K. Yonezawa, the Japanese leader, is reported to have replied heatedly: "Mr Chairman, I do not have to answer such an insulting question."

According to the Greenpeace Foundation, a Canadian conservationists' body, Japanese whaling firms are organizing subsidiary companies outside Japan to avoid the commission's regulations on the size of catches.

Mr Michael McGonigle, a Greenpeace delegate, said the Japanese were setting up companies in Tonga and Sri Lanka to bolster existing operations in Peru, Chile, Brazil and South Korea. Some of the

nations in which the Japanese were alleged to be setting up their subsidiary companies had not subscribed to the whaling agreement and were not bound by its quotas.

Commission sources said the member nations were considering the scientific committee's recommendations on the next year's quotas and discussion was described as "heavy going". The sources said there was strong opposition from the Japanese and Soviet delegations to the main recommendation on the North Pacific sperm whales.

The texture at this stage is

important. If the beef loaf is

going to be juicy and succulent the mixture must be moist,

but not soft or difficult to

handle. Turn the mixture out

of the basin and shape into a

loaf.

—Agence France-Presse.

What would the class of Baden Powell Street think of it all?

John Robinson, this week's guest columnist, considers the generation gap

Siamese cats, guests from foreign countries, and Danish cheese.

These have indelibly remained in my mind as the true marks of the middle class. No, that kind of personal class bitterness seems to me to be not northern at all, but to belong to the south—Birmingham, Leeds, Manchester, Liverpool, and the far end of the earth. London. Remember that to the Tyneside the north does not begin until Durham.

The problem is simply this. In those early formative years on Tyneside, we had no garden; well, not what one could call a garden. There was, it is true, a narrow strip of soil around the bay window of our front room, which I cultivated with an absurd neurotic intensity of bulbs, flowers, and even a shrub or two, but for growing vegetables or gardening on a large scale, there was absolutely no scope there.

My father was, however, the blessed tenant of an allotment at a distance of some half a mile, on a piece of land owned by the local Catholic church, and if I wished to do gardening, learn about pests and vegetables, I could accompany him there. It was a place of intense agricultural activity: retired railwaymen, all apparently called Albert, in shiny blue serge suits, retired from wearing at chapel, with gold watches in their waistcoat pockets, smoking the foulest smelling strong tobacco in cheap pipes who, in a curious mixture of disciplines, played chess and kept pigeons.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was obviously aware, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected me or my parents. Nor did I ever contemplate that one day, thanks to the old, now generally discredited system of grammar schools and universities, I might, with some difficulties of assimilation, move my mental position from one side of that road to the other.

I was, obviously, at that time of innocence, of class differences—that is, more accurately, I was, of course, aware of the differences, but did not see how they affected

SPORT

Rugby Union

Brown out of team but Bennett returns to light training

Tinmar, New Zealand, June 21.—Gordon Brown has withdrawn from the British Lions rugby team to meet a combined provincial team here tomorrow because of a shoulder injury. Brown has been replaced by Alan Martin after his injury, suffered against New Zealand Universities in Christchurch last week, proved troublesome during training today.

But there was better news from the captain, Bennett, who travelled to Dunedin today for an examination of his injured collar-bone by a professor at the Otago Medical School. Bennett was given the go-ahead to start light training tomorrow and the Lions manager, George Barrell, said he hoped the Welsh stand-off would be fit to play against Wellington in two weeks. Bennett suffered the injury during the early stages of the first international in Wellington. Since then, Ward, the Lions' half-back, Mid Canterbury and North Otago may be in for a torpid afternoon.

Evans's switch to the centre tomorrow is significant, especially with Elgan Rees on the wing. Rees has been most impressive in the limited opportunities he has had on the court so far and if he is able to maintain his form in



Gareth Evans: move to centre.

the matches ahead he must become a serious candidate for the international.

The Lions are fed up with what they see as serious lawbreakings by New Zealand teams—especially after being dominated in this phase of play in the first international. The coach, John Dawes, has told his players to imitate the New Zealand practice of going for the ball, getting rules bearing coaching, holding and crossing of opponents. "We have to face up to reality," Dawes said. "I have tried in coaching to get my jumpers to make clean, two-handed catches so they can set the backs going. We haven't been allowed to do this. So we've got to play the lineouts as New Zealanders do."

The Pontypool flank forward, Geddis, has again won the side tomorrow and he, Irvine and J. Williams are the only players who played in the first international. The home side can be expected to offer spirited opposition, especially forward, but it would come as a big surprise if it was able to defeat the Lions. The Didsbury players are talented players in the full back, Nicol, stand-off Goddard, the Maori All Black scrum half, Paul Williams, the New Zealand coat flank forward, Glass and prop forward Higgins.

With 10 of the 25 matches now played, Bennett and Irvine dominate the individual scoring. Bennett has scored 55 points in 11 matches and Irvine 41 points in eight games. Bennett's points have been made up of one try, nine penalties and 12 convers-

Yachting

Courageous still unbeaten after four races

Newport, Rhode Island, June 21. Courageous scored another two wins yesterday to emerge as the surprise early leader in the trials to select the United States team to defend the America's Cup this year. Enterprise, designed by Olin Stephens, and Independence, designed by Ted Hood, are new boats and were expected to be faster than Courageous in the ocean yacht racing series.

But Courageous, three-years-old, beat Enterprise twice on Sunday and defeated Independence by 67 seconds in the first race and by 54 seconds in the second race yesterday. Courageous' superior speed upwind made the difference in both races against Independence, sailed in 10 to 12 knot north-westerly breezes on Rhode Island Sound.

Better sailing on Courageous was one factor in her victories and the superb helmsmanship of Ted Turner, a former world ocean racing champion from Atlanta, Georgia, who, along with Stephens and Independence have two races today in the preliminary trials which continue until June 26—Reuter.

Overseas boats finish top in third race at Torbay

By John Nicholls

At last, after three days' racing, the Dragons, competing for the Edinburgh Cup at Torbay, had a complete and undisputed race to select the United States team to defend the America's Cup this year. Enterprise, designed by Olin Stephens, and Independence, designed by Ted Hood, are new boats and were expected to be faster than Courageous in the ocean yacht racing series.

Enterprise, the holder of the Cup, and O'Gorman's club colleague from Kinsale, finished fourth in Group B and is beginning to accumulate points which could well win him the trophy for the third year in a row. O'Gorman, too, is well placed, along with Nicholas Streeter, the best so far of the British boats. Streeter has twice looked a winner this week, but on Monday the time limit created by a well-defined start line forced him to lose the lead in Group A to Maseret on the final beat.

Both groups started on time at their first attempt. Philip

Tolhurst in Warbird, led Group A round their first mark with Maseret second and Streeter third. Streeter had the first reaching beat and then took the lead on the second reach, with Maseret lying second. Their two boats were never far apart on the second round, and on the final beat to the line Maseret slipped ahead and opened a way for Tolhurst.

O'Gorman led all the way in Group B, and never looked like being caught. Peter Oxford followed him round in second place, but third place changed hands five times for O'Gorman. Streeter was third at the windward mark, but by the end of the first round O'Gorman had claimed this place.

He held it for the next round until Kenneth Gunsey, who had steadily pulled up from seventh at the start, took the lead on the third and final beat.

The series, which comprises six races for each of the two groups, is being sponsored by Lancome and continues until Friday.

THIRD RACE: Group A: 1. Maseret (T. Tolhurst); 2. Tolhurst (T. Tolhurst); 3. Streeter (N. Streeter); Royal Yacht Club; 4. O'Gorman (P. O'Gorman); 5. Kinsale (P. Kinsale); 6. Tolhurst (P. Oxford); Southdowns (P. Gunsey); 7. Gunsey (P. Gunsey); 8. Maseret (P. Gunsey); 9. Gunsey (P. Gunsey); 10. Gunsey (P. Gunsey); 11. Gunsey (P. Gunsey); 12. Gunsey (P. Gunsey); 13. Gunsey (P. Gunsey); 14. Gunsey (P. Gunsey); 15. Gunsey (P. Gunsey); 16. Gunsey (P. Gunsey); 17. Gunsey (P. Gunsey); 18. Gunsey (P. Gunsey); 19. Gunsey (P. Gunsey); 20. Gunsey (P. Gunsey); 21. Gunsey (P. Gunsey); 22. Gunsey (P. Gunsey); 23. Gunsey (P. Gunsey); 24. Gunsey (P. Gunsey); 25. Gunsey (P. Gunsey); 26. Gunsey (P. Gunsey); 27. Gunsey (P. Gunsey); 28. Gunsey (P. Gunsey); 29. Gunsey (P. Gunsey); 30. Gunsey (P. Gunsey); 31. Gunsey (P. Gunsey); 32. Gunsey (P. Gunsey); 33. Gunsey (P. Gunsey); 34. Gunsey (P. Gunsey); 35. Gunsey (P. Gunsey); 36. Gunsey (P. Gunsey); 37. Gunsey (P. Gunsey); 38. Gunsey (P. Gunsey); 39. Gunsey (P. Gunsey); 40. Gunsey (P. Gunsey); 41. Gunsey (P. Gunsey); 42. Gunsey (P. Gunsey); 43. Gunsey (P. Gunsey); 44. Gunsey (P. Gunsey); 45. Gunsey (P. Gunsey); 46. Gunsey (P. Gunsey); 47. Gunsey (P. Gunsey); 48. Gunsey (P. Gunsey); 49. Gunsey (P. Gunsey); 50. Gunsey (P. Gunsey); 51. Gunsey (P. Gunsey); 52. Gunsey (P. Gunsey); 53. Gunsey (P. Gunsey); 54. Gunsey (P. Gunsey); 55. Gunsey (P. Gunsey); 56. Gunsey (P. Gunsey); 57. Gunsey (P. Gunsey); 58. Gunsey (P. Gunsey); 59. Gunsey (P. Gunsey); 60. Gunsey (P. Gunsey); 61. Gunsey (P. Gunsey); 62. Gunsey (P. Gunsey); 63. Gunsey (P. Gunsey); 64. Gunsey (P. Gunsey); 65. Gunsey (P. Gunsey); 66. Gunsey (P. Gunsey); 67. Gunsey (P. Gunsey); 68. Gunsey (P. Gunsey); 69. Gunsey (P. Gunsey); 70. Gunsey (P. Gunsey); 71. Gunsey (P. Gunsey); 72. Gunsey (P. Gunsey); 73. Gunsey (P. Gunsey); 74. Gunsey (P. Gunsey); 75. Gunsey (P. Gunsey); 76. Gunsey (P. Gunsey); 77. Gunsey (P. Gunsey); 78. Gunsey (P. Gunsey); 79. Gunsey (P. Gunsey); 80. Gunsey (P. Gunsey); 81. Gunsey (P. Gunsey); 82. Gunsey (P. Gunsey); 83. Gunsey (P. Gunsey); 84. Gunsey (P. Gunsey); 85. Gunsey (P. Gunsey); 86. Gunsey (P. Gunsey); 87. Gunsey (P. Gunsey); 88. Gunsey (P. Gunsey); 89. Gunsey (P. Gunsey); 90. Gunsey (P. Gunsey); 91. Gunsey (P. Gunsey); 92. Gunsey (P. Gunsey); 93. Gunsey (P. Gunsey); 94. Gunsey (P. Gunsey); 95. Gunsey (P. Gunsey); 96. Gunsey (P. Gunsey); 97. Gunsey (P. Gunsey); 98. Gunsey (P. Gunsey); 99. Gunsey (P. Gunsey); 100. Gunsey (P. Gunsey); 101. Gunsey (P. Gunsey); 102. Gunsey (P. Gunsey); 103. Gunsey (P. Gunsey); 104. Gunsey (P. Gunsey); 105. Gunsey (P. Gunsey); 106. Gunsey (P. Gunsey); 107. Gunsey (P. Gunsey); 108. Gunsey (P. Gunsey); 109. Gunsey (P. Gunsey); 110. Gunsey (P. Gunsey); 111. Gunsey (P. Gunsey); 112. Gunsey (P. Gunsey); 113. Gunsey (P. Gunsey); 114. Gunsey (P. Gunsey); 115. Gunsey (P. Gunsey); 116. Gunsey (P. Gunsey); 117. Gunsey (P. Gunsey); 118. Gunsey (P. Gunsey); 119. Gunsey (P. Gunsey); 120. Gunsey (P. Gunsey); 121. Gunsey (P. Gunsey); 122. Gunsey (P. Gunsey); 123. Gunsey (P. Gunsey); 124. Gunsey (P. Gunsey); 125. Gunsey (P. Gunsey); 126. Gunsey (P. Gunsey); 127. Gunsey (P. Gunsey); 128. Gunsey (P. Gunsey); 129. Gunsey (P. Gunsey); 130. Gunsey (P. Gunsey); 131. Gunsey (P. Gunsey); 132. Gunsey (P. Gunsey); 133. Gunsey (P. Gunsey); 134. Gunsey (P. Gunsey); 135. Gunsey (P. Gunsey); 136. Gunsey (P. Gunsey); 137. Gunsey (P. Gunsey); 138. Gunsey (P. Gunsey); 139. Gunsey (P. Gunsey); 140. Gunsey (P. Gunsey); 141. Gunsey (P. Gunsey); 142. Gunsey (P. Gunsey); 143. Gunsey (P. Gunsey); 144. Gunsey (P. Gunsey); 145. Gunsey (P. Gunsey); 146. Gunsey (P. Gunsey); 147. Gunsey (P. Gunsey); 148. Gunsey (P. Gunsey); 149. Gunsey (P. Gunsey); 150. Gunsey (P. Gunsey); 151. Gunsey (P. Gunsey); 152. Gunsey (P. Gunsey); 153. Gunsey (P. Gunsey); 154. Gunsey (P. Gunsey); 155. Gunsey (P. Gunsey); 156. Gunsey (P. Gunsey); 157. Gunsey (P. Gunsey); 158. Gunsey (P. Gunsey); 159. Gunsey (P. Gunsey); 160. Gunsey (P. Gunsey); 161. Gunsey (P. Gunsey); 162. Gunsey (P. Gunsey); 163. Gunsey (P. Gunsey); 164. Gunsey (P. Gunsey); 165. Gunsey (P. Gunsey); 166. Gunsey (P. Gunsey); 167. Gunsey (P. Gunsey); 168. Gunsey (P. Gunsey); 169. Gunsey (P. Gunsey); 170. Gunsey (P. Gunsey); 171. Gunsey (P. Gunsey); 172. Gunsey (P. Gunsey); 173. Gunsey (P. Gunsey); 174. Gunsey (P. Gunsey); 175. Gunsey (P. Gunsey); 176. Gunsey (P. Gunsey); 177. Gunsey (P. Gunsey); 178. Gunsey (P. Gunsey); 179. Gunsey (P. Gunsey); 180. Gunsey (P. Gunsey); 181. Gunsey (P. Gunsey); 182. Gunsey (P. Gunsey); 183. Gunsey (P. Gunsey); 184. Gunsey (P. Gunsey); 185. Gunsey (P. Gunsey); 186. Gunsey (P. Gunsey); 187. Gunsey (P. Gunsey); 188. Gunsey (P. Gunsey); 189. Gunsey (P. Gunsey); 190. Gunsey (P. Gunsey); 191. Gunsey (P. Gunsey); 192. Gunsey (P. Gunsey); 193. Gunsey (P. Gunsey); 194. Gunsey (P. Gunsey); 195. Gunsey (P. Gunsey); 196. Gunsey (P. Gunsey); 197. Gunsey (P. Gunsey); 198. Gunsey (P. Gunsey); 199. Gunsey (P. Gunsey); 200. Gunsey (P. Gunsey); 201. Gunsey (P. Gunsey); 202. Gunsey (P. Gunsey); 203. Gunsey (P. Gunsey); 204. Gunsey (P. Gunsey); 205. Gunsey (P. Gunsey); 206. Gunsey (P. Gunsey); 207. Gunsey (P. Gunsey); 208. Gunsey (P. Gunsey); 209. Gunsey (P. Gunsey); 210. Gunsey (P. Gunsey); 211. Gunsey (P. Gunsey); 212. Gunsey (P. Gunsey); 213. Gunsey (P. Gunsey); 214. Gunsey (P. Gunsey); 215. Gunsey (P. Gunsey); 216. Gunsey (P. Gunsey); 217. Gunsey (P. Gunsey); 218. Gunsey (P. Gunsey); 219. Gunsey (P. Gunsey); 220. Gunsey (P. Gunsey); 221. Gunsey (P. Gunsey); 222. Gunsey (P. Gunsey); 223. Gunsey (P. Gunsey); 224. Gunsey (P. Gunsey); 225. Gunsey (P. Gunsey); 226. Gunsey (P. Gunsey); 227. Gunsey (P. Gunsey); 228. Gunsey (P. Gunsey); 229. Gunsey (P. Gunsey); 230. Gunsey (P. Gunsey); 231. Gunsey (P. Gunsey); 232. Gunsey (P. Gunsey); 233. Gunsey (P. Gunsey); 234. Gunsey (P. Gunsey); 235. Gunsey (P. Gunsey); 236. Gunsey (P. Gunsey); 237. Gunsey (P. Gunsey); 238. Gunsey (P. Gunsey); 239. Gunsey (P. Gunsey); 240. Gunsey (P. Gunsey); 241. Gunsey (P. Gunsey); 242. Gunsey (P. Gunsey); 243. Gunsey (P. Gunsey); 244. Gunsey (P. Gunsey); 245. Gunsey (P. Gunsey); 246. Gunsey (P. Gunsey); 247. Gunsey (P. Gunsey); 248. Gunsey (P. Gunsey); 249. Gunsey (P. Gunsey); 250. Gunsey (P. Gunsey); 251. Gunsey (P. Gunsey); 252. Gunsey (P. Gunsey); 253. Gunsey (P. Gunsey); 254. Gunsey (P. Gunsey); 255. Gunsey (P. Gunsey); 256. Gunsey (P. Gunsey); 257. Gunsey (P. Gunsey); 258. Gunsey (P. Gunsey); 259. Gunsey (P. Gunsey); 260. Gunsey (P. Gunsey); 261. Gunsey (P. Gunsey); 262. Gunsey (P. Gunsey); 263. Gunsey (P. Gunsey); 264. Gunsey (P. Gunsey); 265. Gunsey (P. Gunsey); 266. Gunsey (P. Gunsey); 267. Gunsey (P. Gunsey); 268. Gunsey (P. Gunsey); 269. Gunsey (P. Gunsey); 270. Gunsey (P. Gunsey); 271. Gunsey (P. Gunsey); 272. Gunsey (P. Gunsey); 273. Gunsey (P. Gunsey); 274. Gunsey (P. Gunsey); 275. Gunsey (P. Gunsey); 276. Gunsey (P. Gunsey); 277. Gunsey (P. Gunsey); 278. Gunsey (P. Gunsey); 279. Gunsey (P. Gunsey); 280. Gunsey (P. Gunsey); 281. Gunsey (P. Gunsey); 282. Gunsey (P. Gunsey); 283. Gunsey (P. Gunsey); 284. Gunsey (P. Gunsey); 285. Gunsey (P. Gunsey); 286. Gunsey (P. Gunsey); 287. Gunsey (P. Gunsey); 288. Gunsey (P. Gunsey); 289. Gunsey (P. Gunsey); 290. Gunsey (P. Gunsey); 291. Gunsey (P. Gunsey); 292. Gunsey (P. Gunsey); 293. Gunsey (P. Gunsey); 294. Gunsey (P. Gunsey); 295. Gunsey (P. Gunsey); 296. Gunsey (P. Gunsey); 297. Gunsey (P. Gunsey); 298. Gunsey (P. Gunsey); 299. Gunsey (P. Gunsey); 300. Gunsey (P. Gunsey); 301. Gunsey (P. Gunsey); 302. Gunsey (P. Gunsey); 303. Gunsey (P. Gunsey); 304. Gunsey (P. Gunsey); 305. Gunsey (P. Gunsey); 306. Gunsey (P. Gunsey); 307. Gunsey (P. Gunsey); 308. Gunsey (P. Gunsey); 309. Gunsey (P. Gunsey); 310. Gunsey (P. Gunsey); 311. Gunsey (P. Gunsey); 312. Gunsey (P. Gunsey); 313. Gunsey (P. Gunsey); 314. Gunsey (P. Gunsey); 315. Gunsey (P. Gunsey); 316. Gunsey (P. Gunsey); 317. Gunsey (P. Gunsey); 318. Gunsey (P. Gunsey); 319. Gunsey (P. Gunsey); 320. Gunsey (P. Gunsey); 321. Gunsey (P. Gunsey); 322. Gunsey (P. Gunsey); 323. Gunsey (P. Gunsey); 324. Gunsey (P. Gunsey); 325. Gunsey (P. Gunsey); 326. Gunsey (P. Gunsey); 327. Gunsey (P. Gunsey); 328. Gunsey (P. Gunsey); 329. Gunsey (P. Gunsey); 330. Gunsey (P. Gunsey); 331. Gunsey (P. Gunsey); 332. Gunsey (P. Gunsey); 333. Gunsey (P. Gunsey); 334. Gunsey (P. Gunsey); 335. Gunsey (P. Gunsey); 336. Gunsey (P. Gunsey); 337. Gunsey (P. Gunsey); 338. Gunsey (P. Gunsey); 339. Gunsey (P. Gunsey); 340. Gunsey (P. Gunsey); 341. Gunsey (P. Gunsey); 342. Gunsey (P. Gunsey); 343. Gunsey (P. Gunsey); 344. Gunsey (P. Gunsey); 345. Gunsey (P. Gunsey); 346. Gunsey (P. Gunsey); 347. Gunsey (P. Gunsey); 348. Gunsey (P. Gunsey); 349. Gunsey (P. Gunsey); 350. Gunsey (P. Gunsey); 351. Gunsey (P. Gunsey); 352. Gunsey (P. Gunsey); 353. Gunsey (P. Gunsey); 354. Gunsey (P. Gunsey); 355. Gunsey (P. Gunsey); 356. Gunsey (P. Gunsey); 357. Gunsey (P. Gunsey); 358. Gunsey (P. Gunsey); 359. Gunsey (P. Gunsey); 360. Gunsey (P. Gunsey); 361. Gunsey (P. Gunsey); 362. Gunsey (P. Gunsey); 363. Gunsey (P. Gunsey); 364. Gunsey (P. Gunsey); 365. Gunsey (P. Gunsey); 366. Gunsey (P. Gunsey); 367. Gunsey (P. Gunsey); 368. Gunsey (P. Gunsey); 369. Gunsey (P. Gunsey); 370. Gunsey (P. Gunsey); 371. Gunsey (P. Gunsey); 372. Gunsey (P. Gunsey); 373. Gunsey (P. Gunsey); 374. Gunsey (P. Gunsey); 375. Gunsey (P. Gunsey); 376. Gunsey (P. Gunsey); 377. Gunsey (P. Gunsey); 378. Gunsey (P. Gunsey); 379. Gunsey (P. Gunsey); 380. Gunsey (P. Gunsey); 381. Gunsey (P. Gunsey); 382. Gunsey (P. Gunsey); 383. Gunsey (P. Gunsey); 384. Gunsey (P. Gunsey); 385. Gunsey (P. Gunsey); 386. Gunsey (P. Gunsey); 387. Gunsey (P. Gunsey); 388. Gunsey (P. Gunsey); 389. Gunsey (P. Gunsey); 390. Gunsey (P. Gunsey); 391. Gunsey (P. Gunsey); 392. Gunsey (P. Gunsey); 393. Gunsey (P. Gunsey); 394. Gunsey (P. Gunsey); 395. Gunsey (P. Gunsey); 396. Gunsey (P. Gunsey); 397. Gunsey (P. Gunsey); 398. Gunsey (P. Gunsey); 399. Gunsey (P. Gunsey); 400. Gunsey (P. Gunsey); 401. Gunsey (P. Gunsey); 402. Gunsey (P. Gunsey); 403. Gunsey (P. Gunsey); 404. Gunsey (P. Gunsey); 405. Gunsey (P. Gunsey); 406. Gunsey (P. Gunsey); 407. Gunsey (P. Gunsey); 408. Gunsey (P. Gunsey); 409. Gunsey (P. Gunsey); 410. Gunsey (P. Gunsey); 411. Gunsey (P. Gunsey); 412. Gunsey (P. Gunsey); 413. Gunsey (P. Gunsey); 414. Gunsey (P. Gunsey); 415. Gunsey (P. Gunsey); 416. Gunsey (P. Gunsey); 417. Gunsey (P. Gunsey); 418. Gunsey (P. Gunsey); 419. Gunsey (P. Gunsey); 420. Gunsey (P. Gunsey); 421. Gunsey (P. Gunsey); 422. Gunsey (P. Gunsey); 423. Gunsey (P. Gunsey); 424. Gunsey (P. Gunsey); 425. Gunsey (P. Gunsey); 426. Gunsey (P. Gunsey); 427. Gunsey (P. Gunsey); 428. Gunsey (P. Gunsey); 429. Gunsey (P. Gunsey); 430. Gunsey (P. Gunsey); 431. Gunsey (P. Gunsey); 432. Gunsey (P. Gunsey); 433. Gunsey (P. Gunsey); 434. Gunsey (P. Gunsey); 435. Gunsey (P. Gunsey); 436. Gunsey (P. Gunsey); 437. Gunsey (P. Gunsey); 438. Gunsey (P. Gunsey); 439. Gunsey (P. Gunsey); 440. Gunsey (P. Gunsey); 441. Gunsey (P. Gunsey); 442. Gunsey (P. Gunsey); 443. Gunsey (P. Gunsey); 444. Gunsey (P

SPORT

Racing

The Minstrel and the Frenchmen look set to dominate Irish Derby

By Michael Seely

The Irish Derby at the Curragh on Saturday looks like being a race between the Minstrel and his two French raiders, Ercolano and Monseigneur. There were 21 acceptors in the four-day stage of declaration yesterday. Vincent O'Brien has dominated Padron and Alleged as well as The Minstrel. But because of the dry ground, Alleged is now unlikely to run. Ad Lib Ra, Classic Example, Lucky Sovereign, Elmone and Remesso are the only other trained candidates left in the race.

The Minstrel is an even money chance with Hills to repeat the double last completed by Grundy two years ago. They then go 5-1 Ercolano and 6-1 Monseigneur. Ercolano is Alec Head's representative. Unbeaten in three races, he is a half brother by Sir God to God. The other two by Sir God to God, Monseigneur, was done in by the Minstrel.

The full list of acceptors is: Alleged, Ad Lib Ra, Aristocracy, Fassaroe, Lath Limone, Lucky Sovereign, Milverton, Orchestra, Padron, Remesso, Salute, The Minstrel, Uncle Pockey, Remesso, Ercolano, Monseigneur, Zioov, Classic Example, King Ashoka.

The £20,000 Northumberland Plate, sponsored by Joe Corral, is the most important race in England on the track test of stamina. Newcastle are headed by Bruce Hobbs's good starer, Grey Baron, who carries 10 st 1 lb, including an 8 lb penalty for his success in the Henry VII Stakes at Sandown Park. Most unusually, Peter Easterby's versatile starer, Sea Pigeon, is favourite to win his fourth valuable handicap in a row—5-2 is the top price on offer with Ladbrooke's. But the best value in the race is undoubtedly the 12-1

on offer with the sponsors against Bill Warr's improving five-year-old Mountain Cross, who is undefeated with four victories in his credit this season. Michael Stoute's Minstrel, who ran such a long-hearted race to finish third in Manxine in unsuitable going in the Ascot Stakes, is also sure to go well. Those who take the present prices about Sea Pigeon and Mountain Cross, could find themselves in a strong position on Saturday.

Lingfield Park also features a valuable race on Saturday, the £10,000 Silver Jubilee Stakes, run over two miles and four furlongs. Andy New and Nearly New are co-favourites with Ladbrooke's at 5-1. Andy New excelled himself when narrowly beaten by My Husser in the Royal Hunt Cup last week, and should be hard to beat carrying bottom weight.

The crowded week starts to gather momentum this afternoon with racing at Salisbury and Great Yarmouth. The most exciting racing is at Salisbury where Bell-Tent will capture the Gwen Blagrave Memorial Stakes and the Brancaster Stakes. Both have handicaps of 10 furlongs. This is an eight race programme as both the Shrewsbury Stakes and the Pembroke Maiden Stakes have been divided. Bell-Tent performed with great credit at Ascot and has finished a close second to My Husser in the Royal Hunt Cup on yesterday's card. The opening Bell-Tent is due to be worked at Seven Barrows, but I shall stand by the public form of Ian Balding's Palace who stuck to her task well when fifth to Rose at Sandown.

In the Silsby Cup the champion jockey has the mount on Royal

Boxer, who was not disgraced when trying to give weight to the vastly-improved North Star at Sandown. Padron, the likely favourite on the strength of his creditable second to Inishlacken at Newbury; Dick Hern and William Carson, fresh from their triumph at Ascot on Saturday team up with their improving course winner Toulouse. But on a point of handicapping, I shall take a chance with the bottom weight Brancaster from James Bethell's Wansgate Stable. Padron and Blundstone finished third, having made up a lot of late ground.

Gloucester Deton had Madang

at 1000-to-1 odds yesterday

at the Newbury meeting. Sales, quickly beaten by Son Tom at Epsom's subsequent victories at Leicester and Redcar.

The opening Wilton Handicap,

a five-furlong dash for three-year-olds, may become a match between Pigeon on Blue Liner and Eddy on Collector's Dream, who is 6-1 on the card for the three-year-old barrier.

This is an eight race programme as both the Shrewsbury Stakes and the Pembroke

Maiden Stakes have been divided.

Bell-Tent performed with great

credit at Ascot and has finished

a close second to My Husser in the

Royal Hunt Cup on yesterday's

card. The opening Bell-Tent is due to be worked at Seven Barrows, but I shall stand by the public form of Ian

Balding's Palace who stuck to

her task well when fifth to

Rose at Sandown.

In the Silsby Cup the champion

jockey has the mount on Royal

Boxer, who was not disgraced

when trying to give weight to the

Weyhill Stakes and the

Memorial Auction Stakes at

Wincanton on Saturday.

It has been a good year for

the Shrewsbury Stakes and the

Pembroke Maiden Stakes.

Both have handicaps of 10 furlongs.



...for some considerable time past the Triumph Company have been building cars which combine a smart and distinctive appearance and a complete range of equipment with performance of an exceptional kind...General detail work and interior finish are carried out in a very pleasing fashion, distinguishing this as a practical car of quality.'

Autocar 1938.

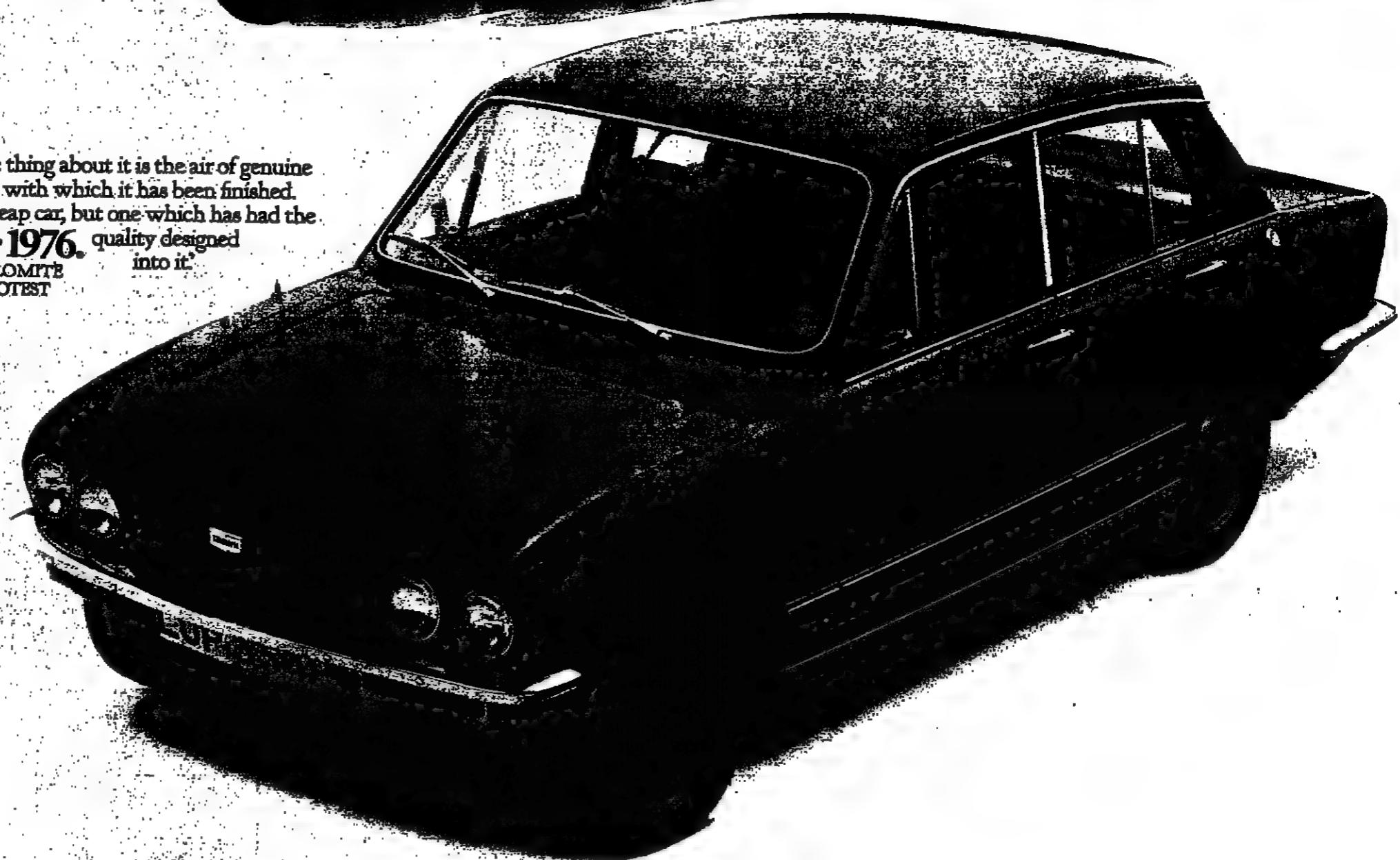
TRIUMPH DOLOMITE

ROYAL SALOON ROAD TEST

...the most impressive thing about it is the air of genuine quality and the care with which it has been finished. It is not a dolled-up cheap car, but one which has had the

Autocar 1976. quality designed into it.

TRIUMPH DOLOMITE
1300HL AUTOTEST



It's good to see that Autocar's standards haven't declined over the years.

Using the quotations from motoring magazines to sell cars is as old as motoring magazines themselves.

And Autocar was first published in 1895.

But you can learn a lot about a particular make of car by comparing road tests down through the years.

The two reviews above are separated by nearly forty years, and yet they're both saying essentially the same thing. They're even using much the same words.

The 1938 Triumph Dolomite was impressive for the quality of its finish and the range of its equipment.

The modern Triumph Dolomite is similarly praised. (With 35 'extras' fitted as standard, it's hardly surprising).

But the most significant word the two reports have in common, we modestly submit, is the word 'Quality.'

In fact, the more recent Autocar report concludes with the following words:

'The appeal of the Dolomite, its air of quality without the drawbacks—for many buyers—of excessive size and unnecessary performance, is obvious and should stand it in good stead.'

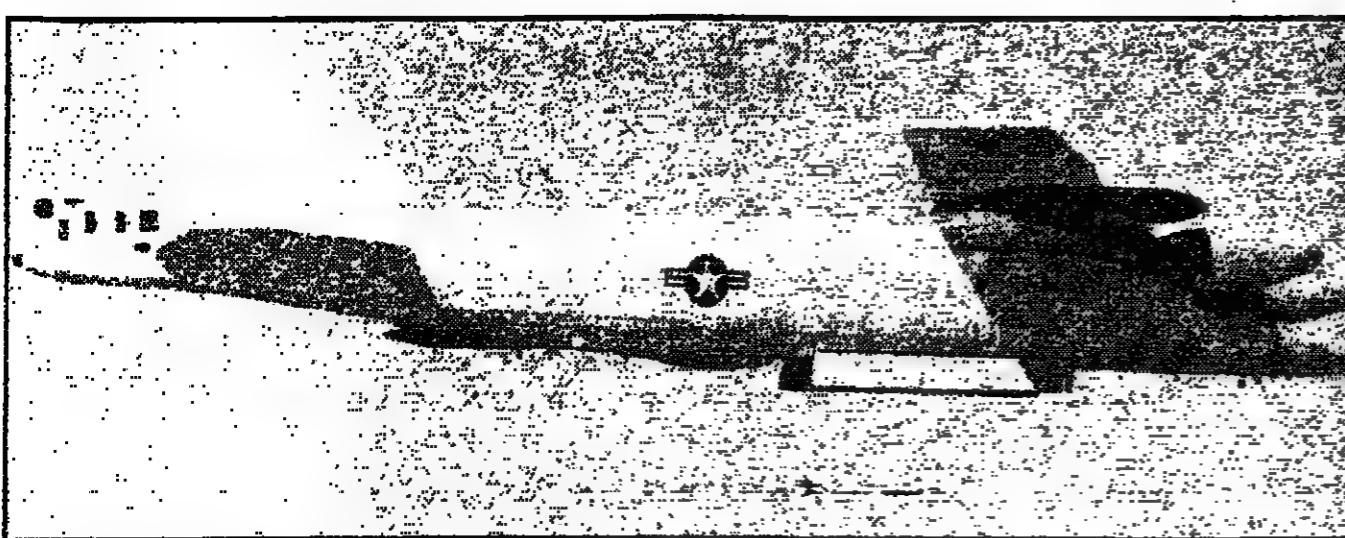
If the Autocar road test in the year 2016 is equally as flattering, they will have proved themselves right yet again.



Dolomite. A triumph of British engineering.  **Triumph** 

From Leyland Cars. With Supercovers.

TRIUMPH DOLOMITE PRICES RANGE FROM £2640.00 FOR THE DOLOMITE 1300 TO £4214.00 FOR THE DOLOMITE SPRINT. PRICES INCLUDE INERTIA REEL SEAT BELTS, CAR TAX AND VAT, DELIVERY AND NUMBER PLATES EXTRA.



A prototype Cruise missile is ejected from the weapons bay of a B-52G.

Britain and the dilemma over the Cruise missile

As the Russians and Americans grope for the foundations of a new strategic arms limitation (SALT) agreement, Britain is looking on with more than usual interest. The focal point of this concern is the American Cruise missile (CM), which has been buzzing around the SALT talks for more than two years, in the manner of a fly trapped in a jar of ointment. Will a SALT-2 agreement contain constraints on Cruise missiles and, if so, what will be the implications for Nato in general and Britain in particular?

Cruise missiles have been around in one form or another since the German V-1 "buzz-bomb" in the Second World War. Essentially pilotless aircraft with their own engines, wings and "automatic pilots", they have a conceptual pedigree stretching back to 1917. The Soviet Union has them, including the 430-mile SSN-3 Shaddock, which has been around for 15 years in Soviet submarines, and its successor the SSN-12 which is under development. It follows that not even the Russians want to see Cruise missiles as such constrained by any SALT agreement.

Recent American developments however have added a new dimension. Because of advances in propulsion and guidance technology, the United States should be able to deploy CMs by the early 1980s, which, in the case of the Navy's Tomahawk, could travel more than 2,000 miles and land within 30 yards of their targets. Not only are they highly accurate over long distances, but they are relatively small and cheap. Only about 20 inches wide they could fit into the torpedo tubes of conventional submarines or could be packed into jumbo jets. At about 500,000 dollars a shot they are no more expensive than a medium tank and many times cheaper than a long-range modern aircraft.

Because they are only subsonic they are very vulnerable. On the other hand they can fly below 100ft, ducking beneath enemy radar screens. This is one reason why the

Russians are so upset. Having invested heavily in one air defence system they might now face the prospect of returning to the drawing board—and to the bunk. Another reason for Soviet discontent is this versatility referred to above. Who can tell whether the Boeing 747 on the horizon is carrying visiting Rotarians or Cruise missiles—with either nuclear or conventional warheads?

Henry Kissinger regarded the Cruise missile as a valuable bargaining chip in the SALT negotiations. But the only tentative bargain he managed to perceive by President Ford to give away too many chips, and he was recalled from Moscow in January, 1976. Since then the issue has continued to impede progress, the Soviets insisting that no agreement is possible without constraints on the range and numbers of CMs, and refused American attempts to pair off CMs with their own Backfire bomber. President Carter's proposed package was, significantly, rejected in Moscow. In April, offered a range limit of only 1,500 miles and no numerical constraints at all.

President Carter's lack of generosity may have been partly prompted by two separate British and German diplomatic delegations which visited Washington in March, before the ill-fated visit to Moscow by Mr Vance. Both countries, ostensibly there "to consult" took the opportunity of reminding the Americans that Nato as an alliance had a use

for Cruise missiles. The West Germans are interested in the option of firing large numbers of CMs, with non-nuclear warheads, to knock out Warsaw Pact airfields on the outbreak of any war. Britain too, can see value in using nuclear-tipped CMs as theatre weapons in Western Europe, launched from the air or from the ground, to counter what is seen as threat from the Soviet Backfire or the SS-20 mobile intermediate range ballistic missile.

But there is another reason for British interest. In about 10 years' time the Royal Navy will have to start phasing out its four Polaris missile submarines, in which is vested the country's strategic deterrent. Given that seven years might be needed for research and development, a decision must be reached by 1980 on whether Britain needs a new deterrent to succeed the present one—and if so, what? The present Government would find it politically and morally difficult to opt for another deterrent, given its parliamentary position and its repeated assurances that it is not now more expensive than a medium tank and many times cheaper than a long-range modern aircraft.

Because they are only subsonic they are very vulnerable. On the other hand they can fly below 100ft, ducking beneath enemy radar screens. This is one reason why the

British experts are by no means convinced of the cost effectiveness of a British CM programme. The general opinion is that the least vulnerable platform for a strategic deterrent remains the submarine. But while the CMs could be launched from the torpedo tubes of existing boats, all these boats are already booked for other naval functions—so some increase would be required in the naval building estimates. A Cruise missile programme might be cheaper, but it would not be cheap. It is arguable that Britain should either dig more deeply into its pocket and provide a less vulnerable ballistic missile system, or abandon strategic deterrence altogether and concentrate its limited resources on conventional forces.

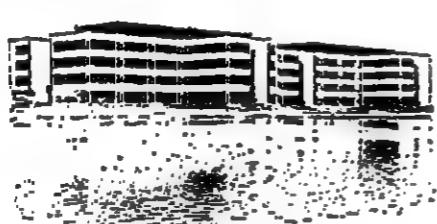
If the Russians and Americans do agree on constraints for the range and numbers of Cruise missiles, Britain will be morally obliged to abide by them. An unrestrained Cruise missile race would be bad for everyone anyway. But meanwhile Britain and Nato see some advantage in the options being kept open.

Henry Stanhope
Defence Correspondent

IBM moved to PORTSMOUTH

The new United Kingdom headquarters of IBM (UK) Limited has been built on reclaimed land at the north of Portsmouth Harbour.

Amid lakes and a landscaped setting the site has almost direct access to



To cater for the increase in yachting there is a unique opportunity to develop a Marine Village adjacent to the Solent in Langstone Harbour.

There is plenty of office accommodation available now, several areas ready for re-development, and great potential for increasing the size and scope of principal shopping areas. There are opportunities to develop hotels and other leisure facilities not only in Portsmouth but directly alongside the M27 (Southcoast motorway) as well.

City Secretary
Civic Offices
Portsmouth
Tel: (0705) 834013

city of PORTSMOUTH

City of the South

A memory of conflict— 29 years after

It happened on June 21, 1948—twelve and a half years ago yesterday—when the state of Israel was little more than a few weeks old.

The ship *Alcaléa* had sailed out from France, loaded with arms and men for the Irgun Zvai Leumi, the secret underground organization led by Menachem Begin.

David Ben-Gurion, Israel's first Premier, was opposed to the continuing arming of the Irgun after the state's defence forces had been formed. He ordered the *Alcaléa* to surrender her arms to the state.

The Irgun leader refused to comply; he said the arms had been ordered before the ceasefire in the war against the Arabs. He boarded the ship as she sailed to a point off Tel Aviv.

The *Alcaléa* was fired on. One of the officers directing the attack was Yitzhak Rabin.

It was, then, an emotional moment in Jerusalem yesterday when Mr Rabin, the outgoing Prime Minister, handed over the job to Mr Begin.

The walk should bring in about £10,000 (a record) and this will mean that more bungalows can be built at The Retreat, Kings Langley, for old and retired members of the book trade. Bookrest is the appeal that is made on behalf of the Book Trade Benevolent Society and must be an especially worthy cause in this Jubilee Year.

Guilt and the German PoWs: how the bonds were broken

It is not too much to say that this was a battle for the souls of men

Twenty years ago the Government of Federal Germany set up a commission to discover, examine and record the history of German prisoners-of-war between 1939 and 1945. The work took 15 years to complete, and resulted in the publication of 21 volumes, covering the subject in every possible aspect and, clearly, in exhaustive detail. One of the volumes consists of a study of the re-education programme

launched in Britain, with a view to eradicating from the minds of the German PoWs held in this country the Nazi teaching to which they had been subjected, and which, in the case of the younger ones, had been the only philosophy known to them throughout their conscious lives. The most extraordinary thing about this particular study is that it was entrusted to an Englishman, Colonel Henry Faulk. He had, however, remarkable qualifications for the work: an intelligence officer during the war, he had been seconded from the Army to the Political Intelligence Division of the Foreign Office (then renamed the Prisoners-of-War Division), which was responsible for the morale programme of political re-education; his task was to break the hold of Nazism on the PoWs, and to fill the vacuum produced when the poison was drained off with humane and civilized values.

It was this group psychology and group identification that the re-education programme had to attack, and it is clearly evident that a frontal assault, an attempt to induce by repetition that despite the group conditions under which the PoWs lived, and the new group psychology that the programme was offering them, they were nevertheless still individuals, not an inert mass, and no progress could be made unless they were so regarded. Psychologically, they moved as a mass, away from the Nazi group effect and towards a better; but within the mass they retained their individual personalities: what the group gave them was, above all, security. As Faulk

acquires an identification with a different, human, concept. There was a dangerous transition period during which it is not too much to say that Colonel Faulk and his team were engaged in a battle for the souls of men. And that being so, they had to learn yet another painful lesson, which was that despite the group conditions under which the PoWs lived, and the new group psychology that the programme was offering them, they were nevertheless still individuals, not an inert mass, and no progress could be made unless they were so regarded. Psychologically, they moved as a mass, away from the Nazi group effect and towards a better; but within the mass they retained their individual personalities: what the group gave them was, above all, security. As Faulk

presents, without even a wink, two statements made by Bishop Bell of Chichester seven years apart. The first: "Naturally, political reliability must be the paramount consideration"; anti-Nazi should be let out first. The second:

"The foundation of the newness in repudiation is the bad system of political grading into categories."

Group Captives is an important and valuable book, as well as an extraordinarily interesting one. It assails many of the reader's deepest preconceptions, yet leaves him with a significantly enhanced understanding of the themes it explores: the result, it occurs to me, is not unlike the process of re-education on which Colonel Faulk embarked more than 30 years ago. And it leaves the reader—at any rate I left this one—more hopeful about the capacity for change that human beings possess. I can best take leave of the subject by quoting the words of one of the German PoWs who went through the process of re-education and, though recognizing the undercurrents of unwillingness of those who travelled that road to admit that the journey had changed them completely.

Nonetheless, it has been successful. The Object has been attained. The knowledge of the enormous debt that the civilization of the West owes to Germany bloomed out the moment the Nazis were overthrown.

The very fact of the German defeat provided the belief that was to set away at the beginning the PoWs to the Nazi-instilled group identification. But the breaking of the bonds was, of course, as was assumed that the Germans would agree that National Socialism was humanly inferior.

To most Germans at the end of the war this viewpoint made no sense at all. And Colonel Faulk makes it

dissent could be guaranteed. All this must wait for the committee's report. Nor was the Government disturbed by the opposition to the whole idea of "union government" that has been expressed by many bodies, including the Bar Association and several religious and student organizations. He was sure these were not representative, and there was broad support for the scheme throughout the population.

The food shortage had been extremely serious. But the critical period has now passed, the general said. The cause had been two years of exceptional drought. The rains had now come, and crops were beginning to be harvested. Some middlemen—or, more often, middlewomen—had exploited the shortages, and the whole thing had added to inflation and caused real hardship.

However, the Government had learned lessons from the lean period, particularly about the need for more irrigation schemes.

But it was the huge amounts of overseas capital from world

organizations and from individual countries that was most encouraging, he emphasized. To take some random examples from a long list, he could cite Saudi Arabian money helping to build a big new hydro-electric scheme at Kpong; Australian money going into a dam at Bul, and British investment in an oil palm scheme.

The rosy picture the general paints leaves some questions unanswered, some appearing more serious than they need because the flow of information from Accra is far from perfect. One is left wondering, for instance, about the Government's need to pass a draconian decree providing five years' imprisonment for rumour-mongering. And why have the arrangements suddenly been announced of the head of the navy and the governor of the Bank of Ghana, both relatively young men? No doubt there are explanations, but it is a pity the information does not flow faster than the rumours.

Kenneth Mackenzie

THE TIMES DIARY/PHS



General Akuffo: calm and confident.

constituency assembly and some form of elections in 1978, although the general was not prepared to set any firm date.

He did not think there was much point in discussing details about how, for instance, a change of government could be effected under these proposals or how a person's right of

General Akuffo: calm and confident.

Such a golden opportunity

I now address myself to my female readers. Is your figure ectomorph and mesomorph? Are you physically striking? And, most important, can you emulate the greyhound?

It will help if you can act, too, because a lady possessing all these attributes is being sought to play the leading role in *Goldfinger*, the film version of this week from Cineplex.

The plot calls for a competition of beauty men selected with a honey-blonde American with the object of using her to take the 1980 Moscow Olympics by storm.

Approaches are unlikely to be made, I understand, to the present sportsmen selected with the object of using her to take the 1980 Moscow Olympics by storm.

She could never sell stamps at this price if you didn't have a picture of the Queen on them.

Literate walkers

This year's Bookrest Sponsored Walk takes place in London tonight. It is no good writing to tell me that books, rests and walks are mutually exclusive because they are not. Derek Jacob is doing it as Hamlet at the Old Vic and tonight 500 walkers will be doing it all over London—reading as they rest as they walk, I mean.

The walk should bring in about £10,000 (a record) and this will mean that more bungalows can be built at The Retreat, Kings Langley, for old and retired members of the book trade. Bookrest is the appeal that is made on behalf of the Book Trade Benevolent Society and must be an especially worthy cause in this Jubilee Year.

Such a golden opportunity

Au lait: no bull

An (apolitical) sacred cow moaned at me yesterday when I went to learn details of the most comprehensive convention of dairy and related industry experts ever organized, which is to be held in Paris next June.

The 20th International Dairy Congress (you guessed) has been arranged with the object of solving the economic and technical problems facing the dairy industry; but as M Jean Mitraille (the president of the economic commercial committee of the Congress) pointed out, politics ought not to come into it. Tell that to the cow.

It is hoped that 12 months hence in the French capital a "Congress" (as it is quaintly called) will lead to the setting up (and I quote) "of the mechanics which will establish economic and political understanding in such a way as to maintain a better balance between production and consumption". And still no one has consulted the cow.

Over-reaction is a fashionable word best suited to this photograph, taken in Pontefract by Mr Emlyn Williams, of Telford, Salop.

New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

ECADE OF DEPRESSION

's unemployment will be a further reminder of the condition of the economy. In one sense ising element in the figures since February is the steady if slight rise for the level employed, allowing for actors and excluding others who have not yet seen. They seemed to end to the rising unemployment, and that is explained by the figures of economic growth as the index for production, or the for the recent course of domestic product use, though as always a mistake to base too the figures for one latest unemployment into line with the actors.

ture is bad enough in the simple national in the international is now equally clear. The condition is but a manifestation of a contact of the industrial are having to adjust aspect of growth rates have been experiencing time since the start of rearmament immediately before the end of the War. With the industrial world as stage a sustained and recovery from the prolonged recession, it y that the peak of the national upturn will be higher in real the top of the present. It must now be a possibility that the next cycle will be the previous trough, now but steady im-

POWELL AND MOTHER RUSSIA

Powell's interesting contribution to which we published contained a mixture of the and false conclusions basic argument was in perceptions and are totally different that their essentials change, and that by attempting to induce we are not only time but sanctioning, attempts to remodel our. He then went on, so it seemed, that a tradition is not ex- which has already history of by the history of our.

ght, of course, that divisions are very difficult ours and that we act rapid change. It is a matter of people of is wrong about the difference and the low of change. He is also expert western policy to induce by treaty of the way Russian state treats and acts towards the id. First of all more than one tradition of both and outward-looking, and also of attempts at westernization, its basic attitudes freedom, truth, and of the individual to a been very different it has also produced and many others contested these positions that spring mainly from Russian mentality is a deeply Russian.

diversity there is potential for change, ten years there has a great deal of

101

about Hammond. Edward Levin ("As one, the question is, wear unions for?") is particularly close to the BBC was right in his MacShane not for honour but for his. Those of us who doubtful privilege of Levin's performance at the Free speech Branch not be surprised by of extreme right-wing Mr MacShane was not, elected as Vice-President NUJ's equivalent of a Mr Levin asserts; but the ballot of branch the Annual Delegate of these delegates by, mandated by their vote for a certain including those from Mr branch who were vote for Mr Lionel C member for London nationalists.

Mr Levin's reputation is—except, of course, immediate encourage of years—that I am sure the candidates he General Secretary the "moderate" Mr will exactly relish report from such a Mr Michael Bower, very delighted that I of a Levin have

is very good at causing strife within his and assassinating the people whom he dis- yet to hear of one he has done to act of his fellow free-

provement in world productivity, such a trend must lead to still higher unemployment, and is likely to have the most serious political and social consequences.

Although this issue has featured at high level international meetings in the recent past, including the Downing Street summit, there is little sign that the industrial world as a whole has begun to face the long-term consequences of what is happening, or has begun to formulate a cooperative strategy for containing the problem. Several generations of economists have now been dominated by the Keynesian and neo-Keynesian notions that the level of demand and employment can be regulated by fiscal and monetary measures taken by each national economy, almost in isolation. The situation that now faces us seems to indicate that the system as a whole has exhausted the necessary strong factors of growth, required to keep international trade and the various national economic processes on an expanding path. Energy costs are rising for the first time since the industrial revolution. The industrial revolution and the railway age provided the technological impetus in the nineteenth century. The internal combustion engine and the higher technological revolution, combined with military expenditure, and more lately the exploration of space, provided such an impetus during this century. It is not clear what is to take their place.

If this analysis is substantially valid, there are correspondingly serious consequences for the conduct of domestic British economic policy. If the world is settling down to a cyclical growth path significantly lower than that which we have come to expect in the postwar era, it follows that attempts to stimulate

economic activity in a single country like the United Kingdom will give rise even more quickly to the kind of inflationary pressures which we have been experiencing over the past four years.

It follows accordingly that the overall level of demand in the economy will, wherever market forces are allowed to have any strong influence, tend to reduce the power of those pressing for high nominal wage settlements. At the same time, high rates of inflation will make it difficult for any government to get agreement with the trade unions to the limitation of wage claims next year to a realistically low figure. The combination of these pressures tends to suggest that the Government would be well advised to use the present situation for as orderly a return to free wage bargaining as can achieve.

The Government can hardly hope to get general agreement to a figure for Stage Three that makes any economic sense, even at a price to its other policies or in concessions to the trade union movement in general which are in any case unacceptable. In this case, the only sensible course for economic policy over the next several years is for the government of the day to pursue fiscal and monetary policies which are designed to reduce steadily the relatively higher rate of inflation in this country compared with the average of our industrial competitors. Within that framework, the economy as a whole and those in organized employment in particular will have to find and then maintain a balance between wage and salary levels, productivity and employment. It is an adjustment that society as a whole will have to make. It cannot any longer be found and maintained by politically constructed social contracts.

tions for improving European relations, standards by which to judge progress, and instruments for exerting pressure.

The sections on human rights and on cooperation in humanitarian fields were inserted primarily to encourage evolution in Eastern Europe, which does not share Russian traditions, and which the West was not ready to write off. It is there that the main change in Soviet behaviour is required. Obviously the change will not come without some changes in Moscow, so the Helsinki agreement is rightly lauded on behalf of Soviet freedoms, but this was not its primary purpose. Nor were there any discernible illusions that the Soviet Union would comply with the agreement out of some newborn respect for legality. Mr Powell is as naive as he apparently believes Western governments to be. The hope was to create interlocking interests in restraint. So far the main effect has been to stimulate popular demand for change in Eastern Europe, but this at least shows that it is not an empty piece of paper, or one which involves the surrender of Western interests. Mr Powell also seems to have forgotten about the Russian tradition of being acutely sensitive to foreign opinion.

As for Mr Powell's fear that we are "forging weapons for use against ourselves" by claiming the right to try and change Russian society, there is some slight truth in this but surely we should have faith that our weapons are stronger than theirs. It is they who jam broadcasts, restrict travel, and react furiously to criticism. It is they who object to discussion of human rights. The West should have sufficient confidence in itself to accept this sort of challenge.

lance journalists, not many of whom are in his fortunate position of obtaining a five-figure salary per annum. Anyway, if he really thinks unions are useful and unrepresentative, what does he recommend to the NUJ? Very few people would shed any tears at his departure. Yours faithfully,
JONATHAN HAMMOND,
NUC member, NUC,
1626 West Road, SW6.
June 18.

University finances

From the Vice-Chancellor of the University of Sussex

Sir, On June 14 you published an admirable letter on university finance from the executive heads of the Universities of Bristol and Cambridge, of Imperial College and of the London School of Economics. Of these four institutions two (some would say three) are "peculiar" and it might be thought that the complaint that the Government is stifling the universities has come from an unrepresentative selection that has suffered most: this is not so; it is general experience among the universities that our cut for 1977-78 is 3 to 4 per cent in real terms rather than the 1 per cent suggested by the Secretary of State—but the "real terms" in this respect of the world are effectively arrived at as pointed out by my four colleagues, who have not all been explicitly articulated; they form a kind of intellectual ecology that will be disrupted only at the nation's long-term peril.

Yours faithfully,
DENYS WILKINSON,
Palmer,
Brighton.
June 14.

is very good at causing strife within his and assassinating the people whom he dis- yet to hear of one he has done to act of his fellow free-



LETTERS TO THE EDITOR

Court of Appeal judgment

From Master D. R. Thompson

Sir, In your leader today ("Contempt of Court") you attribute to the Court of Appeal Criminal Division the proposition that Miss Maegs by not submitting to rape to some extent brought her injuries on herself" this being "a kind of contributory negligence". Nothing which was said by the Court in the course of the hearing on June 17 warrants any such proposition. The recollection of more than one of the persons present in court is that at that point during the argument Holdsworth's counsel seemed to be suggesting that it was unfortunate in some way that Miss Maegs had resisted Holdsworth's advances. Lord Justice Roskill's reaction was that if this meant that Miss Maegs should have submitted to rape, this was "nonsense".

In the course of giving judgment, Mr Justice Wien, according to the unreported transcript, said:

"As it was said by Lord Justice Roskill during the course of the argument, it is probable that this girl would have been less severely injured if in fact she had submitted to rape by the mere threat of force rather than force being applied in the manner that it was."

This must be read in the context of the preceding passages of the judgment which emphasized the gravity of the offences and the way in which Miss Maegs had been treated. It is also necessary to bear in mind what had been said in argument. The passage does not suggest Miss Maegs ought to have submitted.

Holdsworth's counsel, called an officer from Holdsworth's regiment to give evidence before the Court of Appeal. The result was that the Court gained the very clear impression that the Army were anxious to have Holdsworth back for service in Northern Ireland where he had already served for some six months in a creditable way between committing the offences and his trial. The Court also understood that the Army would not discharge Holdsworth unless he served more than 90 days imprisonment and that time spent in custody awaiting the appeal (more than three months) did not count for this purpose, nor would a suspended sentence.

It is now plain that the Court was not accurately informed. Had it been accurately informed it would not have acted as it did.

Yours faithfully,
D. R. THOMPSON,
Registrar of Criminal Appeals,
Criminal Appeals Office,
Royal Courts of Justice, WC2.

*The full judgment in this case is reprinted on page 13.

Terrorism in Rhodesia

From Dom Dominic Gaisford

Sir, I have just returned from a few weeks' visit to Rhodesia to find myself increasingly puzzled by Britain's policy towards that country. I am not a supporter of the Rhodesia Front and its policies and I understand Britain's insistence that Africa should fully participate in Rhodesia's government. But I fail to understand why the British Government does not equally insist or seems not to do so on cessation of terrorism. It appears to abhor terrorism in Ulster (and elsewhere), but to treat it as an adolescent pockmark in Rhodesia.

For example, the Rhodesian army's recent incursion into Mozambique drew a vigorous condemnation by the Foreign Secretary, but I am unaware of any equally strong condemnation by him of the mortar bombardment of Kariba Town—an area I happened to be visiting when it occurred.

What saddens and angers white Rhodesians is the apparent double standard of political morality adopted by our government.

It is questionable whether Rhodesian Africans will be better off should their government pass next year into the hands of men who regard terrorism as an acceptable way of acquiring power—or perhaps of keeping it?

It would be tragically ironic if Britain's chief role in Rhodesia should be to help cast out one devil and let in a legion.

Yours faithfully,
DOMINIC GAISFORD,
Worth Abbey,
Sussex.

universities are therefore engaged in a serious guessing game in which sums much greater than their reserves are involved. The second point not mentioned by my colleagues concerns the universities' capital building programme: this has almost vanished. Student numbers are not going to increase as rapidly as thought earlier, but most universities are or are going to be seriously short on accommodation; the sight of rotting huts is common on even the most splendid of our campuses.

The injustice of the pay settlement for university faculty is well known, the arbitrary and unjust recent massive increases of student fees are well known, the absence of effective liaison between the universities and central government is well known. From the point of view of one of the newer vice-chancellors of one of the newer universities it seems that the embattlement of the universities goes beyond the consequences of the country's immediate financial condition. Unfortunately the universities' otherwise happy autonomy under their individual royal charters deprives them of a strong central voice: the Committee of Vice-Chancellors and Principals has no de jure existence and the University Grants Committee, from its uneasy lodgement within DES, must look both ways at once.

The universities have evolved organically, responsive to needs of society, not have not all been explicitly articulated; they form a kind of intellectual ecology that will be disrupted only at the nation's long-term peril.

Yours faithfully,
DAVID WINNICK,
Prospective Labour Candidate,
Walton North,
11a Chichele Mansions,
Chichele Road, NW2.

Tinkering with the constitution

From Professor Nevil Johnson

Sir, The Jubilee celebrations have been widely held to demonstrate continuing trust in and affection for the Crown. The dignified element in our system of government, so it seems, still stands high in popular esteem. At the same time, however, there are many signs of cynicism and disillusionment in relation to the efficient elements in the constitution. Confidence in politicians seems in the way in which we work our system of parliamentary government has been undermined. In a curious way people seem to take the monarchy seriously, despite its purely dignified role, while it is the efficient parts of the constitution, government and Parliament, which slide into disrepute.

But this is really surprising when we look back on the gerrymandering of the conventions of the constitution to which we have been treated in recent weeks. We look forward to the very historical example of this game which are to come? Any constitution, good or bad, is intended to define some of the rules by which a country is to be governed. The British constitution is unique in the degree to which it rests on convention and practice: this is the main reason why it has been both flexible and yet resistant to radical change. Yet it now appears that our constitution has到了 a point at which it expresses only one principle, namely that of party rule or control. The party which is in power is the party that is to be let into the constitution.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

Moreover, as if this easy dispensation of a doctrine long thought to be the foundation of the relationship between government and Parliament were not enough, we are given to understand that the forthcoming Bill on direct elections will actually contain

alternatives. Normally a Bill has

been thought to set out what a Cabinet wishes Parliament to endorse, but now by some stroke of technical ingenuity on the part of the parliamentary draftsmen it seems, still stands high in popular esteem. At the same time, however, there are many signs of cynicism and disillusionment in relation to the efficient elements in the constitution. Confidence in politicians seems in the way in which we work our system of parliamentary government has been undermined.

These changes are a vivid demonstration of how politicians can share, significantly, the loss of their reputation with the public and, what is worse, to undermine the conditions on which parliamentary government rests. When politicians fall victims to such logical absurdity and yet solemnly claim that their indulgence in it rests on convention and practice, this is the main reason why it has been both flexible and yet resistant to radical change. Yet it now appears that our constitution has到了 a point at which it expresses only one principle, namely that of party rule or control. The party which is in power is the party that is to be let into the constitution.

It is really surprising when we look back on the gerrymandering of the conventions of the constitution to which we have been treated in recent weeks. We look forward to the very historical example of this game which are to come? Any constitution, good or bad, is intended to define some of the rules by which a country is to be governed. The British constitution is unique in the degree to which it rests on convention and practice: this is the main reason why it has been both flexible and yet resistant to radical change. Yet it now appears that our constitution has到了 a point at which it expresses only one principle, namely that of party rule or control. The party which is in power is the party that is to be let into the constitution.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

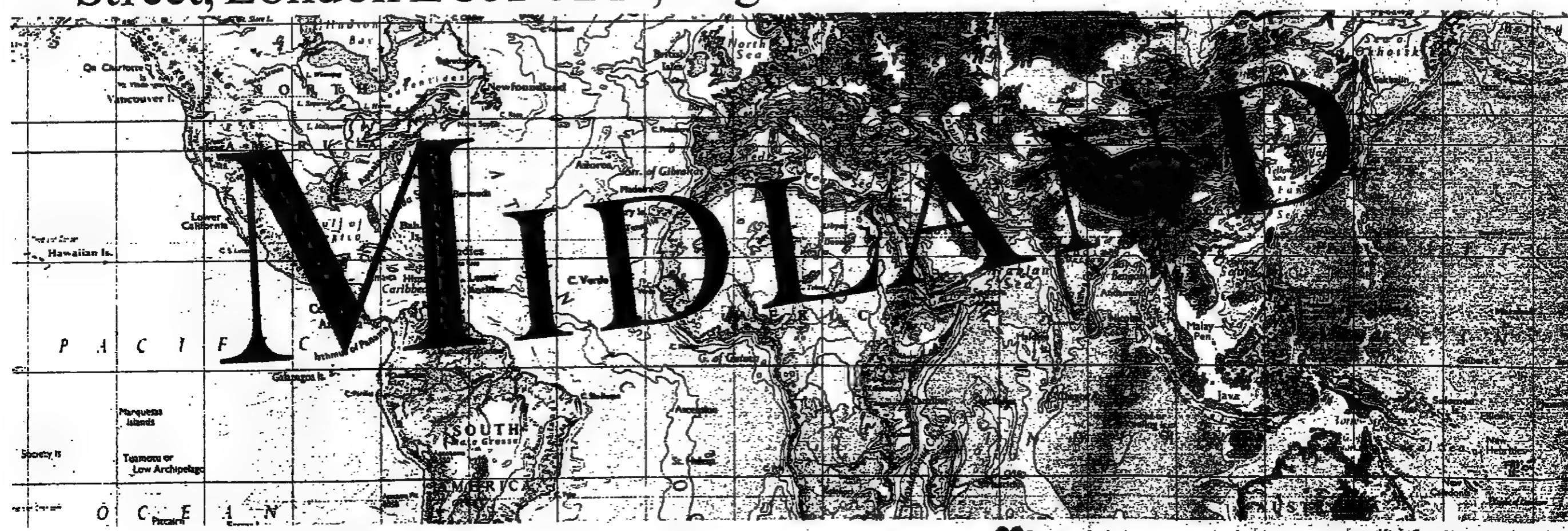
The rule that the Cabinet is collectively responsible to Parliament for its actions is apparently now satisfied that on a particular measure each member may do what he pleases. The Prime Minister blandly confirms this retreat into constitutional anarchy when he tells the House of Commons that collective responsibility applies except in cases where he announces that it does not. This he announces with a laugh on the Labour benches, but it is questionable whether such a frank application of Humpy Dumpy's maxim that words mean just what we choose them to mean is well suited to maintaining public confidence in the terms on which Britain is governed.

The rule that the Cabinet

We Deliver

Help with exports: We provide up to date, relevant information on export markets. We can advise you on international economic conditions and help you identify market opportunities. And we back this up with a world-wide range of financial, marketing and commercial services to help you finalise your export deals.

TEST US: Contact Frank Dunphy, Manager, Trade Development, Tel. London 606 9944, ext. 4364, telex 888401 or write, Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN, England.



Midland Bank International  **Delivers.**



Stock Exchange Prices

Small demand for gilts

ACCOUNT DAYS : Dealings Began, June 13. Dealings End, June 24. 5. Contango Day, June 27. Settlement Day, July 5.

5 Forward bargains are permitted on two previous days

Unions to seek NEB support for telecommunications industry

By R. W. Shakespeare

Union leaders are to call on the Government to set up a single telecommunications manufacturing company, with involvement by the National Enterprise Board, to ensure the long-term viability of the British industry.

This demand results from a motion carried unanimously by delegates to the annual conference of the Confederation of Shipbuilding and Engineering Unions in Scarborough yesterday.

The vote came after Mr Roy Sanderson, the national industrial officer of the electricians and plumbers' union, had told the delegates, who represent some three million workers in 19 unions, that since 1974 the economic recession and the increase in telephone charges had led to cutbacks by the Post Office. These had meant the loss of more than 10,000 jobs in

the telecommunications industry.

He said that further cuts of £220m would mean the loss of a further 15,000 jobs in the four main manufacturing companies and another 5,000 jobs in supply industries over the next three to four years. These jobs were mostly in the development areas, he said.

Mr Sanderson blamed the industry which had once been the leading exporter in its field was now one of the worst performers in overseas markets, and had led to an overdependence on orders by the British Post Office.

The solution, Mr Sanderson said, must be Government intervention to ensure that there

was a single and viable company manufacturing the right system of telecommunications equipment. This solution had to come quickly. He personally would like to see full realization of the industry, but he realized that the possible solution probably lay in NEB involvement.

Mr Ken Baker, industrial officer of the General & Municipal Workers Union who supported the motion, said it was a tragedy that most of the jobs due to be lost in firms, like Plessey, were in areas such as Liverpool and Sunderland where alternative employment was not available.

He also condemned the other telecommunications manufacturing companies for insisting that if a Post Office move temporarily to prevent some redundancies by renewing orders was made the orders must be shared among them rather than going to the area where the need was most urgent.

Cable and Wireless in Far East venture

Cable and Wireless will purchase up to £10m worth of capacity in a submarine cable system linking the Philippines and Singapore, the company announced yesterday.

The project has been launched by the Eastern Telecommunications Philippines Incorporated (ETPI) and Telecommunication Authority of Singapore as nominated agents

of their respective governments. A 40 per cent share in ETPI is held by Cable and Wireless.

The cable will be the first link between two countries in the Asian group of nations—Philippines, Singapore, Indonesia, Malaysia and Thailand.

Commercial service is expected before January 1979. Capacity will be up to 1,380 circuits for all types of telecommunication traffic including

telephone, telegraph, telex and data.

The undersea cable will span 1,500 nautical miles across the south China Sea. Between the Currimao cable station in north Luzon and the Katong cable station in Singapore.

Supply of the cable was by the Cable and Wireless ship, Recorder, and laying of the cable will be carried out by the company's new ship,

These talks are over a new annual agreement for 58,000 hourly-paid workers to operate from October 21. Apart from lay-off pay, the unions will be seeking a 15 per cent pay rise, a 37½ hour working week as a first step towards a 35 hour week, and payment of full shift allowances during holidays.

At present, workers get 80 per cent of normal basic pay if they are laid off for external reasons. The issue has several times in the past caused severe disruption because of industrial action.

Ford strike continues after failure of talks on lay-off pay

By Christopher Thomas
Labour Reporter

The crippling strike at Ford is to continue after peace talks failed yesterday. All production has stopped at the Dagenham car plant and the Transit van production line at Southampton. Production of heavy trucks at Langley, Buckinghamshire, has been halted.

The strike, which began in the Dagenham body plant after a man was disciplined for not using a piece of equipment properly, has made 16,000 men idle. The showroom value of lost cars is £17m.

But the dispute now centres on a demand for men to be paid if they are laid off through disputes originating inside Ford.

Convenors are demanding a "bridging" agreement on the claim before it is discussed at national level talks on July 15 in London.

These talks are over a new annual agreement for 58,000 hourly-paid workers to operate from October 21. Apart from lay-off pay, the unions will be seeking a 15 per cent pay rise, a 37½ hour working week as a first step towards a 35 hour week, and payment of full shift allowances during holidays.

At present, workers get 80 per cent of normal basic pay if they are laid off for external reasons. The issue has several times in the past caused severe disruption because of industrial action.

Nine full-time union officials from the transport workers, the engineers and the general and municipal workers met the management for nearly four hours yesterday and will meet again today. They had five hours of talks on Monday. The company has remained resolute that it will not concede pay to men laid off because of internal disputes.

Mr Sidney Harraway, chairman of the shop stewards committee in the body plant, said yesterday that the company should have used the agreed grievance machinery before disciplining Mr Olafatuji (Belli) Taylor with a three-day suspension.

He added: "Our claim now is that we should have an assurance of no lay-offs until the national negotiations take place, when we will be claiming 80 per cent lay-off pay.

Halewood hopes: Car production continued normally yesterday at the £98m Ford factory at Halewood, Liverpool, which has so far not been affected by the strikes and lay-offs which have brought the Dagenham plant to a standstill.

A management spokesman said yesterday that while they were reviewing the position on a day-to-day basis, they hoped to be able to carry on at least until the end of the week.

He said the trouble would come from the drawing of components from other plants,

LETTERS TO THE EDITOR

Safety and the transport of dangerous sea cargoes

From Mrs Elizabeth Young
Sir, The article by Marcel Berins (May 23) published to coincide with the opening of the United Nations Conference on the Law of the Sea (UNCLOS) III, justifiably concentrated on the problems the conference faces over arrangements to regulate over seas mining.

There is one problem he didn't mention but which—unlike the profitable exploitation of ferro-manganese nodules—is already upon us, and that is the enormous increase in the transport of liquefied natural gas (LNG). This is an extremely peculiar dangerous cargo which

needs amending so that vessels carrying dangerous cargoes (the anti-dumping conventions list some of them) may enjoy the rights of innocent passage (and of free transit through international straits) only when they can identify themselves as

international trade, but in our highly congested territorial waters, vessels carrying it will have the right of "innocent passage" and, through the Dover Strait, probably wider rights still of "free transit". These rights will perhaps be mitigated, but only a little, when the Dover Strait mandatory traffic system comes into full effect; if a flag state

ELIZABETH YOUNG,
100 Bayswater Road,
London W2 3EJ.

National Exhibition charges

From Mr R. L. Best
Sir, In Business Diary (15), reference was made to the National Exhibition Centre's demand for space such that they are looking for ways of exp

1,000,000 sq ft of co

space.

The priority of the

management and the new

executive when appo

should be to closely co

operative in charge of

organisers of exhibition

substantially.

The management of the must surely realize that ex

hibitions are a medium which

goes with the trade i

national press and the

means by which companies

promote their products and

exhibitions are competitive, companies

use other ways of open

their marketing money.

Why is it that after only 16 months, are posing such dramatic inc

in charges? After all, we

sold the project on its

efficiency with those provided

other halls in particular, l

Court and Olympia.

The way things are goin

well we will be we wil

on, Earls Court and Oly

for many decades and a v

airplane in Birmingham.

Yours faithfully,

F. L. BEST,

Head of Industrial Services

The Incorporated Societ

22 Basil Street,

London SW1 4AG,

June 16.

Economics of coin box refund

From Mr W. Norman
Sir, Reference the correspon

dence on added value and in

the letter from Dr P. E.

Jones (June 14), I feel that

the description of added value

is unnecessarily complicated.

Surely, in simple terms, the manufacturing industry purchases material by processing that material it adds value to it and the difference in the material purchase price and selling price equates to the

success of the company avail

able for paying all its expenses

and making profit. I would

recommend any service such as bank

treatment, placing and the like

as being a bourgeois item of

material.

I feel this point is very

important because if there was

a much wider use of the added

value principle for the manage

ment accounting functions of

small to large companies more

people could have a real sense

of involvement about what it

takes for a business to be suc

cessful and would provide for

the correct design decisions

are made in good time. The

promises of new technology are

lower track costs, less environ

mental disturbance, cheaper

track maintenance with possi

bilities introduced by more

complex and the latest

area vehicle technology.

Yours faithfully,

F. T. BARWELL

Professor of Mechanical

Engineering,

University College of Swansea,

Swansea SA2 8PP,

June 20.

Minster Insurance Group

Summary of 1976 Consolidated Results and Points from the Statement by the Chairman Mr. Donald S. Pearce

* Record pre-tax profit of £5,466,982.

* Premium Income increased to £42,087,855.

* Book value of total free reserves £16,038,670.

* Taking into consideration the market value of quoted investments the free reserves would have exceeded £17,500,000.

* In co-operation with our French colleagues of GAN we have already made good progress in the development of our non-motor United Kingdom business and also in expanding our operations overseas.

* New Underwriting Room for Fire and Accident opened to improve service to Lloyd's Brokers.

* Continued progress is expected in all branches in 1977.

	1976	1975
Premium Income	£42,087	£34,175
Profit before Tax	£5,466	£3,735
Total Assets	£87,782	£70,733
Book value of free reserves	£16,038	£11,275

Minster Insurance Co. Ltd.,
Minster House, Arthur Street,
London EC4R 9BZ.

The Contingency Insurance Co. Ltd.,
Minster House, Arthur Street,
London EC4R 9BZ.

The National Motor and Accident
Insurance Union Ltd., National Motor House,
109 Princess Street, Manchester M60 1HU.

ANNUAL REPORT 1976

	1976	1975
Net Rental Income	£4,525,000	£3,909,000
Pre Tax Profit	£1,990,000	£1,628,000
Value of Investment Properties	£83,796,000	£72,240,000
Earnings per Share	3.42p	2.89p

BY THE FINANCIAL EDITOR

Talk of balloting BP subscriptions

It's offer of BP shares by the art looks like being more successful Bank of England or the lead under- undicate dared hope. By mid-day some 1,200,000 prospectuses had distributed. While this may not be an accurate reflection of demand, brokers' offices often ask for undred so as to have them available to strip original expectations. 75,000 were printed on the first

debate now is whether counting, places over the weekend, and which is on present plans to be y the Bank of England's allotment (with, of course, guidelines from), will turn out to be an active nightmare.

It so that there is now various ballot as being the only fair way of the shares given the enormous and political prefer- ure which has been built into the

those who have been allowed to preferential consideration— pension funds, BP employees underwriters (the latter alone asked for 42 per cent of the to be earmarked on their cannot get what they hope for.

is that after the Americans have air 25 per cent of the issue, the oment committee will parcel our a scaled down basis to preferential and small investors. So, even for the fact that the institutions had some share through the under- erence, some large institutional us will not be anywhere near fully

the alternatives of a ballot would that problem and would also cause ions both in the American market because The Stock Exchange forced to suspend BP dealings ock place. As such, it is an alterna- is likely to be rejected however it may look to the Bank's hard- lments committee.

ting ideas of and force'

believe that a further diminution of competition is going to to advance this country". Thus Clark, chairman and chief executive of Plessey, the largest individual of the United Kingdom electric- voiced his bitter disapproval of any suggested government- ationalization or regrouping of under its industrial strategy.

seems that Plessey has set itself idea of a "second force". British

d in a duller climate

sentiment about the brewers is ever bedevilled by that compli- cism of political and economic is which seem to plague the which if the worst came to the ld really harm future levels of in such a volume sensitive

rices are largely discounting now Commission's investigation of beer on the view that any extendeduld not damage all those lavish- vestment plans while any short- e could be comfortably ridden by after its frequent price increases past year.

political concern is dying down, growing nerves that the sector as will not be able to maintain the in the back of the past two exceptions while the continuing of the lager market, which has for Bass and Guinness in must slow down soon.

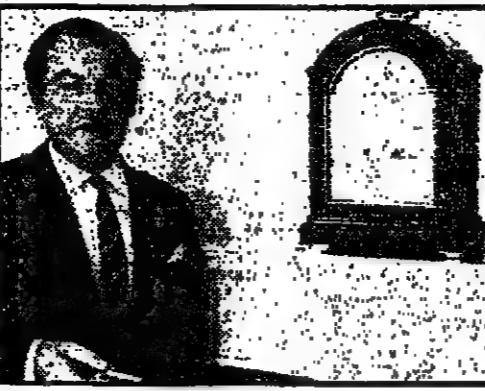
the results have been good produce a slight lift in the market rewers' poor performance relative quity sectors over the last year. moment, price rises of around a er the past year have kept brew- ahead of the game. Not only has ed them to offset cost pressures

electrical company as envisaged by Racal Electronics.

Nevertheless, there are reasons for thinking that this seemingly immovable stance could yield to the course of events over the next two or three years. One reason is encapsulated in Plessey's final figures which show that the group managed to keep profits moving along at an admirable 20 per cent growth rate in the final quarter despite the cumulative effects of the Post Office cuts in orders for telecommunications equipment.

So full-year profits are 14 per cent up at £39.6m on sales up 16 per cent to £569m of which around half actually came from overseas operations. But the visible scars of the Post Office cutbacks show up below the tax line where a £7.7m provision out of a total £11.2m exceptional debit has been made in respect of identifiable costs "at the present time" including plant closures and redundancy payments.

With an order book of £600m—£31m of it from overseas—and a significant switch



Sir John Clark, chairman and chief executive of Plessey.

in products mix particularly towards electronic systems, Plessey looks well-placed to climb steadily out of the doldrums of the past few years, though it is worth noting that its growth on the long-term systems side has in the past been financed from high cash flow provided by telecommunications and components.

So cutbacks like those forced on Plessey by the Post Office could jeopardize the group's attempts to move into the big league of world electronics via its complete systems operations as in the case of the massive micro-wave aircraft landing project for which Plessey is currently vying.

Alternatives could be for Plessey to acquire a cash-generator or to be taken over by a group with strong cash resources. In this respect it is known that Plessey looked at the possibility of a link-up with Thorn some time ago.

Plessey's shares closed unmoved last night at 78p where they remain the income stock of the sector yielding 9.6 per cent on a p/e ratio of around 12.

Opportunities

and a volume decline of around 2 per cent in beer but also seen to it that they go into the new Price Code regimen well up to their margin reference levels.

But without the benefit of another good summer, volume growth will be hard to find even if consumer spending does pick up later this year while it is pretty clear that the brewers have seen the last of the big price rises for perhaps a year.

Faced with that scenario, it is hardly surprising that Allied yesterday was, like Guinness, warning shareholders not to expect such strong rate of growth in the second half as the first.

Moreover, first-half profits even though showing a sturdy 41 per cent gain to £39.4m pre-tax do not show quite such a strong upturn as the recent results from Bass and Whitbread if the Teacher's contribution and last year's labour troubles are excluded.

For all that, Allied's strength in wines and spirits has stood it in good stead while it has also added a new lager brand to strengthen its weak position in this area.

Selling on a likely earnings multiple of around 9 this year assuming £80m pre-tax and maintaining its yield attractions of 8½ per cent at 71½ Allied is still a strong hold. But the sector as a whole will need some good news to shake off its lacklustre appearance.

Business Diary: When all's said and done

David Donne, like the poet John Donne, is the poet John Donne, for next year, new leaf, but still same things reads, as, he sees again, large, but like a pair of beads".

Id me yesterday that forward to moving the chairmanship of just after the appearance of Industry report of the company when it was combined with Christopher Salmons, a thriving non-executive chair- and that with that buy- all companies that be sold as larger one of the City same in three years up the Grendon

he is looking for- day when he can disposed of the re- property holdings. The was once described start?

While all eyes are on the Grunwick Laboratories dispute, there is another long-standing (or should I say "standing") industrial problem that is having repercussions throughout the country and in the Cities of London and of Westminster in particular.

This is the strike of about 1,200 electricians who service and repair lifts for Otis Elevator. They are an unofficial strike after the suspension of eight of their number following problems on the stretch of the new Fleet underground line that runs beneath the Strand.

as "a pile of rubbish, amateurishly constructed".

Monotype, the printing firm that would be all that remained, can look forward to its own quotation one day. Then, he said, we can bring the book on a fascinating, if somewhat expensive, for some, saga and go back, thankfully, to our own businesses".

Donne has more businesses to go back to than most. Among them is one of his personal ventures, the chairmanship of sock makers Pantherella. The biggest shareholder in this is another controversial City figure, Sir Hugh Fraser. Donne has built up profits from £20,000 to £500,000 in seven years.

He is also deputy chairman of Dalgety, the merchanting group.

Developments may also be expected from Donne's association with Peter Hurley in the United Property Growth Assurance recently sold to the Phoenix. Hurley, Donne says, has moved to Switzerland, and called two days ago to say: "Let's meet. What else can we start?"

The same is now happening, I hear, at BP's headquarters, British House. It is also what I found at the offices of the Institute of Chartered Accountants in Moorgate Place, City, where I called yesterday. Luckily for me the lift was going as fast as the fourth floor—my destination.

Although about half of Otis' branches throughout the country are still working, it just so happens that the City and Westminster, the two seats of power, are among the areas included in the strike.

However inconvenient the

The new Spanish Government headed by Premier Adolfo Suárez is expected to give high priority to solving Spain's critical economic problems—providing the opposition parties will let it.

Before last week's general election, as the head of the second post-Franco government, Señor Suárez had put off any attempt to sort out the economy in order to dedicate his attention to pressing his political matters as he led his country towards democracy.

But further procrastination could be disastrous. With a foreign debt which could amount to \$14,000m by the year's end, gloomy export prospects, inflation running at 23 per cent, according to official figures and 33 per cent according to reliable unofficial estimates, one million unemployed and investments suffering from financial anemia, the country is in need of sound remedies—and quickly.

The electoral programme of Señor Suárez's victorious political movement, the Centre Democratic Union (UCD), calls

for cutting inflation by half by next July and bringing it within the average of members of the European Economic Community by the end of the year.

To do this the UCD says that it will apply a realistic monetary policy, keeping the deficit of the public sector under tight control. As for private enterprise, it says it intends to promote easier credit.

Once the owners of private businesses and industries find their situation improving according to the programme, they will be encouraged or obliged to increase their investments rather than their dividends. The programme adds, quite pragmatically: "The workers cannot continue to support the economic burden of rising prices which diminish their buying power."

The movement also promises to expand and improve public services and social welfare plans, intervening in education, public health, housing, sport and cultural activities, transport and information. At the same time it said that it would

reduce the national debt after reviving the financing of that debt.

The UCD claims that it will help to make farming more profitable and will expropriate potentially productive unused land.

To get the money it will need Señor Suárez's political movement has announced a firm attitude to income taxes, something which the Franco dictatorship and the first two governments of the more moderate post-Franco era had.

Tax reform, in the estimate of the UCD planners, is "one of the principal objectives . . . part of the political transition and the only valid instrument with which to achieve social equality . . . and pay due attention to the country's social needs".

The wage-prices policy to which the Prime Minister is committed regards full employment as a basic aim and seeks to expand investment in order to boost investment confidence. The UCD would act to make the labour force more flexible and invest state funds to create work in places where the unemployment level was excessively high. It would offer tax

incentives to businessmen, based on the creation of jobs.

The movement confidently predicts that the balance of payments will be brought within satisfactory limits by regulating domestic consumption, making export promotion policies more effective, keeping the growth of imports within moderate levels and taking firm action to prevent the flight of capital. It also affirms its intention of integrating Spain into the various European organizations.

Señor Suárez is said to believe that "moderation of the growth rate must be negotiated and accepted by Spaniards within a democratic framework, with full trade union freedom and with the immediate application of tax reform measures".

"The sacrifice of income will require controls on prices of basic products, energy, public services and other things, and in some cases will be passed exclusively to rising costs".

This part of the economic programme, probably the most essential, is the part which is expected to give Señor Suárez the most headaches. In language which avoids the nasty phrase

"wage ceilings" it seems to propose just that.

Factory wages have been rising by about 25 per cent per year for several years in Spain and this increase has had an important effect on the ever-expanding wage-price spiral.

In what looks like an attempt to sugar-coat the wage control pill, the UCD promises adequate old-age pensions with frequent revisions, gradual reduction of the social security tax and better unemployment compensation.

But the country's newly legalized trade unions, still anxious to show the workers what they can do for them, will need a lot of convincing if they are to go along with any measure to keep workers from earning more.

The country's main trade union organizations are, of course, linked to the Spanish Communist Party. If Señor Suárez hopes to keep the workers on the job he may have to make ample concessions to the Left, whose combined voting power in the congress of deputies, or lower house, almost equals that of the UCD.

Harry Debelius

Now Spain must look to its economy



Diagram showing two doors labeled 'CABINET ROOM' and 'DISSIDENTS ROOM'.

Industry finds new favour with graduate job-hunters

Rosemary Brown

There is a note of cautious but growing optimism about the job prospects for this year's graduates. Within days — their examinations safely behind them—some 65,000 young men and women of whom an estimated 41,000 are expected to be seeking immediate permanent employment, will be streaming out of the universities and polytechnics.

With more than 1.4 million people still on the dole and the outlook for the year the gloom of 1977 is not in heavy mood, but as the vacancies start to open up again for summer recruitment fairs the evidence is that the market for graduates is distinctly more buoyant than last year.

Some upturn in demand about 4 per cent was predicted in January by the Standing Conference of Employers of Graduates (SCOEG) and others.

However, if the news beginning to filter through from the universities is a reliable indicator, this forecast could turn out to be a slight underestimate.

Kenneth Dobson, head of London University's Career Advisory Service, reports cheerfully that "at the moment there are recruitment fairs in a full-blooded way". The supply of graduates is up; so too is the pick of jobs. Indeed, such is the buoyancy that a second phase of recruitment activities, known as the "mill-round", for the whole of the south-east region is being organized, with the number of employers involved roughly half that for the main January to March phase.

From Oxford, too, the omens look reasonably bright, with Roy Ashwell, assistant secretary of the Oxford University Appointments Committee, saying guardedly that "the market is holding up reasonably well".

The same message is echoed from Aberystwyth where Norman Lloyd, chairman of the Standing Conference of Careers Services in Higher Education acknowledges that "there is little more optimism around than expected".

Apart from the fact that a surprising number of employers are returning for a second bout of selection, companies that eschew the mill round are also producing more openings than expected.

Confirmation of the trend comes from Brian Puff, director of the Central Services Unit for appointments, who reports a 10 per cent increase in vacancies at the end of April compared with the same period in 1976. Moreover, thanks to a last-minute flurry of late entries, Mr Puff says the job vacancy

list now looks the fullest and best for three years.

Yet, for all the cheer, the experts unanimously emphasize that this will be a difficult year for graduates. For one thing, the number seeking employment are up by about 6,000, compared with last summer. Equally sobering, last year's returns—although in the event not as depressing as predicted—certainly provide no cause for jubilation. At the end of December, 5.5 per cent of graduates were still unemployed with a further 4.5 per cent in temporary jobs.

In any case, the sudden rush of vacancies may be misleading. Tony Felix, managing director of New Opportunities Press, which publishes *Graduate Guide*, believes that the present situation may well be the result of employers failing to meet their initial targets and so entering the market a second time to make up the shortfall.

He explains that what appears to have been happening is that, in consequence of the unemployment figures, graduates have been chasing more openings than normal and that, instead of receiving two or three job offers, the more impressive candidates have attracted double the number. So companies, faced with rejections, are belatedly finding that they are below their quota limits.

Another point that is noticeable this year is that organizations not normally associated with the mill round are making a play for graduate talent—

selling and insurance being prime examples. One explanation is that graduates are being given first crack at the jobs, in preference to school-leavers. In other words, companies are trading up.

But a more fundamental reason is that the whole concept of "the graduate career", as it existed 10 years ago, has finally disappeared. True, graduates still have the edge; but the notion that a degree is an automatic passport into an exclusive range of prestige occupations began to be exploded during 1970 and 1971 when employment for university leavers plummeted to its lowest ebb.

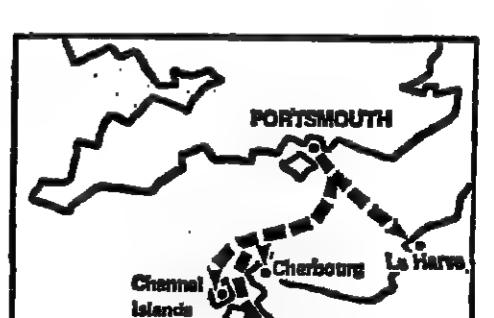
Michael Bent, GEC's personnel director, says enthusiastically that the response has never been better—in terms of both quality and quantity. It is a view that is being voiced on all sides.

The general opinion, shared by employers and appointments officers alike, is that graduates are more strongly motivated and better informed. They are also investigating a wider spectrum of jobs.

But the biggest change—and perhaps the most promising for Britain—is that, to quote Mr Lloyd, "students are no longer talking about the profit motive as a dirty word. Instead they are talking about the wealth-producing sector of the economy".

New gateway to Europe

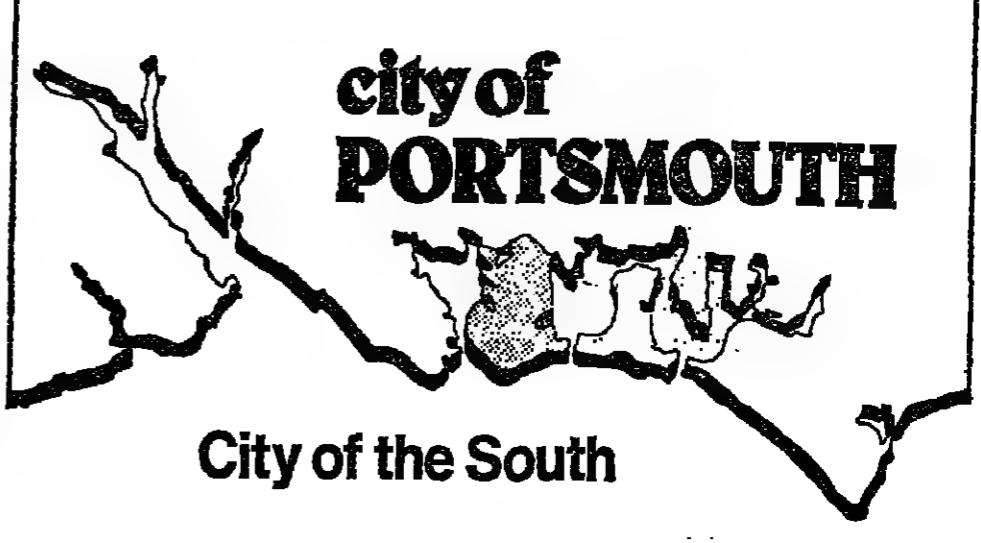
In the centre of the South Coast with extremely good communications by road, rail and sea with the rest of Britain, Portsmouth is ideally sited for cross-channel links. Regular car and passenger ferries run to St. Malo, Cherbourg and Le Havre and a new passenger route to the Channel Islands is planned.



many holiday and entertainment facilities including two 18-hole golf courses whilst the museums and cultural festivals cater for all tastes.

With the growing number of visitors and the recent establishment of multi-national companies in the City, there is a need to expand the conference and hotel accommodation.

City Secretary
Civic Offices
Guildhall Square
PORTSMOUTH
Tel: (0705) 834013



city of
PORTSMOUTH

City of the South

Last jubilee story: Edwin Carter, managing director of the BPC subsidiary Waterloo's, is presenting a commemorative dish to staff who worked over the holiday weekend preparing the documents for the huge BP share offer. The inscription

ALLIED BREWERIES

LIMITED

INTERIM ANNOUNCEMENT OF
PROFIT AND DIVIDEND
FOR THE 32 WEEKS ENDED 7 MAY 1977

The results for the 32 weeks ended 7 May 1977 based on unaudited figures prepared for management purposes are shown below.

	32 weeks ended 7 May 1977 £m	8 May 1976 £m	52 weeks ended 25 September 1976 £m
Turnover	668.8	505.7	885.3
Trading surplus before depreciation	59.7	45.0	90.4
Depreciation	13.9	11.7	19.7
Trading profit	45.8	33.3	70.7
Investment income	2.8	2.6	4.0
Associated companies	1.0	0.8	2.0
Finance charges	49.6	36.7	76.7
Profit before tax	39.4	27.9	63.0
Tax on above profit	28.1	14.5	31.1
Minority interests	19.3	13.4	31.9
Preference dividends	0.3	0.3	0.6
Earned from operations	18.8	12.9	30.9
Foreign currency losses	0.1	0.3	0.9
Gains and losses arising other than from trading	18.7	12.6	30.0
Available for ordinary dividend	20.4	14.4	33.0
Ordinary dividend	6.6	5.4	17.0
Earnings per ordinary share from operations	3.58p	2.78p	6.40p

The figures for 32 weeks ended 7 May 1977 include turnover and profit before tax for the same period for Teacher (Distillers) Ltd and Embassy Hotels (Hyde Park) Ltd respectively of:

Turnover £44.3m and £2.1m
Profit before tax £2.8m and £0.4m

The turnover and profit before tax of Teacher (Distillers) Ltd for the year ended 31 January 1976 (the last published accounts) were £55.9m and £2.9m and for Embassy Hotels (Hyde Park) Ltd for the year ended 30 September 1976 were £2.2m and £0.4m.

Sales and Earnings

Trade in the 32 weeks has been firm, with a good pre-Christmas period. It is anticipated that results for the remaining 20 weeks, given reasonable conditions, should continue to show an improvement on last year although this improvement will not be at the same rate as for the first part of the year.

Interim dividend on ordinary shares

An interim ordinary dividend for the financial year ending 30 September 1977 of 1.25 (1976 1.1165) pence per share will be paid on 23 September 1977 to those shareholders whose names are on the register on 18 July 1977.

société nationale
elf aquitaine

1976 REPORT

Following the absorption of the main lines of business of ERAP approved by the Extraordinary General Assembly of July 9, 1976, the Company was renamed SNEA. Its range of activity has been considerably enlarged compared to 1975, and its structure is now that of a holding company.

In addition, a number of departmental and geographic changes have been made in the Company's organization in order to increase efficiency. The most important of these changes is the setting up of closer working relations between ELF FRANCE's and ANTAR's French refining and distribution subsidiaries.

Highlights of 1976

■ Exploration

In 1976, investment in this area totalled approximately 1.6 billion francs, the objective being to maintain, or if possible to increase, oil and gas reserves which at year end were estimated at about 18 years of current (1976) petroleum equivalent production. Research was carried out mainly in France, in the North Sea, in the Gulf of Guinea, in the Gulf of Gabes, and in North America. These areas accounted for more than 80% of SNEA's exploration investment.

■ Production

• Crude oil and condensates: 18.2 million tons, compared to 23.3 in 1975, drop is explained by the transfer of Company production in Algeria.

• Commercial natural gas: 10.34 billion cubic meters, compared to 10.36.

• Sulfur: Although the market continues to be relatively depressed, the Company's sales tonnage reached 2.7 million tons, or about 20% more than in 1975.

• Coal: The production of AQUITAINE PENNSYLVANIA Inc. (a wholly-owned subsidiary of AQUITAINE COMPANY OF CANADA) was 1.4 million tons in 1976, compared to 1.2 in 1975, and is expected to rise to 1.8 in 1977.

• Nickel: Sales of Société LE NICKEL S.L.N. in which SNEA has a 50% share of ownership, totalled 51,675 tons, compared to 53,540 in 1975, despite a 12% increase in export volume.

■ Crude oil supplies, refining and distribution

ELF AQUITAINE's crude oil supplies are assured by the Group's own negotiating unit and by associated suppliers. In 1976, ELF AQUITAINE processed 35.2 million tons of crude oil in France and in other countries. During 1976, the ELF AQUITAINE (ELF + ANTAR) Group's share of the French market for all major refined products increased slightly from 23 to 23.5%.

Sales in France reached 20.9 million tons, compared to 18.9 in 1975. Outside France, sales totalled 7 million tons, an increase of about 1.1 over 1975.

■ Petrochemicals - Plastics

Petrochemical activity, mainly involving plastics, is carried out by Société ATO CHIMIE, jointly owned by ELF AQUITAINE and the TOTAL Group. Turnover in this area was 2.64 billion francs in 1976, and the cash flow 198 million francs.

■ Dividends

Total net dividends in 1976 are 24.1 million francs, or 16 F per share, compared to 15 F in 1975, representing a rate of increase corresponding to the general recommendation of the French government authorities. Payment of dividends will be made as of July 6 in exchange for coupon N° 21. A per-share tax credit (pre-paid taxes) of 3 F increases share earnings to 24 F per share of 50 F value.

These results have been approved by the Ordinary General Assembly of July 9, 1977, at the close of which an Extraordinary General Assembly adopted certain modifications to the statutes of the Company in order to bring them in line with legal requirements. Measured in terms of comparable structures, the growth rate was approximately 20%.

Financial situation

The changes that have taken place in the structure and organization of the Company make it particularly difficult to establish a comparative analysis of results in 1976, the first year during which the new structures have been in operation. SNEA's earnings totalled 841 million francs. It should be pointed out that if the profits of SNEA (P) achieved in 1976 could have been carried over in their entirety to the level of the SNEA Group, net earnings would have reached 1,300 million francs. On this more equitable basis, net earnings per share would be 86 F, compared to 83.5 F in 1975, 61 F in 1974, and 36 F in 1973.

Consolidated results of the ELF AQUITAINE Group showed consolidated earnings of 1,623 million francs, of which 1,479 was achieved by the Group and 144 by associated units. Consolidated turnover totalled 26 billion francs.

■ Dividends

Total net dividends in 1976 are 24.1 million francs, or 16 F per share, compared to 15 F in 1975, representing a rate of increase corresponding to the general recommendation of the French government authorities. Payment of dividends will be made as of July 6 in exchange for coupon N° 21. A per-share tax credit (pre-paid taxes) of 3 F increases share earnings to 24 F per share of 50 F value.

These results have been approved by the Ordinary General Assembly of July 9, 1977, at the close of which an Extraordinary General Assembly adopted certain modifications to the statutes of the Company in order to bring them in line with legal requirements.

Measured in terms of comparable structures, the growth rate was approximately 20%.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Shares still in BP shadow but gilt-edged go ahead

For the second day running, shares found little support as the big investors conserving their funds for Friday's BP issue.

Though trading was always at a minimum, there were some surprising early gains, but as the day went on most prices slipped back through lack of interest. By the close, the FT Index, up 1.4 off at midday, was 3.2 lower at 442.0.

Berry Wiggins, due to report full-year figures tomorrow, is extracting fresh takeover talk and about 150,000 shares went through the market yesterday.

After the interim stamp many feel that the renegotiated Algerian drilling contract could have spurred a strong second-half rally. Profits will not match last year's £1.8m, but the optimists would not be surprised by £1m. The shares, at around 36p, are also supported by the stake in black 285, 40 miles south of the Firth.

BP apart, the background influences are not favourable.

The industrial scene appears to be at its lowest ebb for some time with names like Grunwick and Ford capturing the headlines. Further, as talks between the Government and the TUC go on, most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 3p to 373p, and there were more mixed performances from ICI, off 4p to 388p, Breamore 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Beaverbrook "A", which put on 3p to 47p, and United Scientific which ended 6p higher at 156p.

Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 346p. The low level of acceptances of the Rolls-Royce terms left Fisons a penny lower at 46p while RR also closed a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after the recent £1.8m, but the optimists would not be surprised by £1m. The shares, at around 36p, are also supported by the stake in black 285, 40 miles south of the Firth.

BP apart, the background influences are not favourable.

The industrial scene appears to be at its lowest ebb for some time with names like Grunwick and Ford capturing the headlines. Further, as talks between the Government and the TUC go on, most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 3p to 373p, and there were more mixed performances from ICI, off 4p to 388p, Breamore 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Beaverbrook "A", which put on 3p to 47p, and United Scientific which ended 6p higher at 156p.

Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 346p. The low level of acceptances of the Rolls-Royce terms left Fisons a penny lower at 46p while RR also closed a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after the recent £1.8m, but the optimists would not be surprised by £1m. The shares, at around 36p, are also supported by the stake in black 285, 40 miles south of the Firth.

BP apart, the background influences are not favourable.

The industrial scene appears to be at its lowest ebb for some time with names like Grunwick and Ford capturing the headlines. Further, as talks between the Government and the TUC go on, most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 3p to 373p, and there were more mixed performances from ICI, off 4p to 388p, Breamore 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Beaverbrook "A", which put on 3p to 47p, and United Scientific which ended 6p higher at 156p.

Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 346p. The low level of acceptances of the Rolls-Royce terms left Fisons a penny lower at 46p while RR also closed a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after the recent £1.8m, but the optimists would not be surprised by £1m. The shares, at around 36p, are also supported by the stake in black 285, 40 miles south of the Firth.

BP apart, the background influences are not favourable.

The industrial scene appears to be at its lowest ebb for some time with names like Grunwick and Ford capturing the headlines. Further, as talks between the Government and the TUC go on, most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 3p to 373p, and there were more mixed performances from ICI, off 4p to 388p, Breamore 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Beaverbrook "A", which put on 3p to 47p, and United Scientific which ended 6p higher at 156p.

Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 346p. The low level of acceptances of the Rolls-Royce terms left Fisons a penny lower at 46p while RR also closed a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after the recent £1.8m, but the optimists would not be surprised by £1m. The shares, at around 36p, are also supported by the stake in black 285, 40 miles south of the Firth.

BP apart, the background influences are not favourable.

The industrial scene appears to be at its lowest ebb for some time with names like Grunwick and Ford capturing the headlines. Further, as talks between the Government and the TUC go on, most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 3p to 373p, and there were more mixed performances from ICI, off 4p to 388p, Breamore 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Beaverbrook "A", which put on 3p to 47p, and United Scientific which ended 6p higher at 156p.

Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 346p. The low level of acceptances of the Rolls-Royce terms left Fisons a penny lower at 46p while RR also closed a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after the recent £1.8m

Edith down in final stage but Estate Trust tops £18m

Financial Staff
In the growth in Selection Trust, one of United Kingdom finance houses, slowed and half of 1976-77 figures achieved a share up by 15p to 30p yesterday. In the month to March 31, as it did in the first, almost doubled from £144.4m. Operating from £7.5m to £1.5m, and sundry profit from £2.08m to £1.24m, and realisation of investments from £5.66m to £5.65m, before expenses, early 50 per cent up.

Expenses rose from £13.28m—including costs more than £1.19m to £3.9m. Setting this, the rise tax level is 49.5 per cent. Pre-tax profits doubled from £3.52m



Mr. A. Chester Beatty, chairman of Selection Trust.

The final dividend, gross, is being raised from 15.69p to 18p, lifting the total from 23.38p to 25.74p gross on the capital enlarged by last year's two-for-nine rights issue.

lens take
round
ast R-R

Financial Staff
the Cheshire-based group which was part of a City rescue two years ago, has first round in its retain independence. Motors, £7.9m for the first time with only minimal losses. Holders of only one of the ordinary 0.1 per cent cash alternative, and acceptances were 0.04 per cent of the class.

Rolls-Royce also a share offer, worth 10p down 1p at 8p, 48p a share, say. In accordance with document, made available by writing of Rolls's p, has lapsed.

shares at 45p are

seen as a technical

in time. City experts

told that Rolls-Royce

is at such an early

Hambros up over £2m to £7.3m

After-tax profits from the merchant bank Hambros for the year to end-March increased from £5.21m to £7.32m after a repeat £1.1m contribution from association and debts on loan, interest and minorities which have increased from £2.5m to £3.17m.

The contribution from associates was no higher, despite a strong performance by Hambro Life during 1976, reflected the poor performance of the property associate Berkeley Hambro; but Hambros' own performance does not show well against that of the preceding year, since profits were then deducted by provisions of £4.3m (after tax relief) against loans on Norwegian shipping. At half-time it was announced that earnings for the period showed a "significant increase" on those for the first half of 1975-76. Earnings per share for the year have increased from 24.6p to 34.8p, and the dividend on £10 (£2.50 paid) shares has been increased from 11.92p gross to 12.4p gross. The dividend on the 25p shares is one up to 9½ per cent.

Lourho has 86 pc of AVP Inds

The agreed offer by Lourho for AVP Industries has been extended for a further 14 days now that acceptances have been received on 86 per cent of the equity. This amount includes 6.14 per cent, which are subject to the completion of various formalities.

Richardsons W'garth 'buy back' fails

Richardsons & Westgarth's attempt to buy back 50 per cent of its shares and dividends on £100,000 has failed. The terms offered by the Department of Industry, were that the group would pay the open market value, compared with the

basis for assessment of compensation under the Act. This was agreed, unacceptable, the board said, and not in the interest of the shareholders. The Hartlepool undertaking will therefore be nationalised with the rest of George Clark & NEM on July 1.

Evans of Leeds jumps 24 pc to record

After a 32 per cent rise in second-half profits, Evans of Leeds, the property investment and development group has pushed its pre-tax revenue for the year to March 31 up 24 per cent to a record £95.000. This continues the group's record of steadily rising profits. Earnings a share are 5.51p against 4.35p, while the dividend is raised from 3.25p to 3.57p gross.

Merrill City National Link in new scheme

American stockbrokers Merrill Lynch, Pierce, Fenner & Smith, and the City National Bank of Columbus, Ohio, have come together to plan a new type of brokerage account which will integrate various kinds of financial services. The new scheme, which is still being studied by the Federal Reserve Board in the United States, will enable investors to make full use of the money in their brokerage accounts by earning a return on it or using it for collateral on borrowings at favourable rates. The new service will be known as a cash management account.

The company is proposing to raise capital to £847.0m from £446.5m.

Du Pont in Europe

Doubling of its European sales in the next five years and improved earnings were forecasted yesterday by Mr Ernest Rupprecht, chairman of Du Pont de Nemours International S.A. For this year he said there would be significant business growth although the percentage increase in sales might not equal that of last year, when sales in Europe and its consolidated subsidiaries rose 16 per cent to reach \$1,083m.

Two thirds of Du Pont's European sales are products manufactured in Europe. Fibres account for 38 per cent of total sales followed by plastics with 30 per cent, speciality products 25 per cent and chemicals 7 per cent.

Exxon withdraws

Exxon Pipeline has "reluctantly" withdrawn from the proposed West Coast to mid-continent crude oil pipeline project, it was stated in Houston. The company said the reason as "unreasonable" permits requirements being proposed by the California Air Quality Permitting Authorities. Exxon says: A pipeline linking the West Coast to the south-western and mid-western areas was needed to provide a reliable crude oil distribution system."

Texaco's Saudi venture

Standard Oil of California and Texaco announce that Petromin of Saudi Arabia has approved the further development of a proposal for a joint venture to construct a major specialized refinery for manufacturing oils and petroleum fuels. The proposed refinery would be located in the Jubail industrial area in the eastern province of Saudi Arabia.

Weeks' acquisition

Weeks Petroleum has acquired a 35 per cent stake in Vermilion Block 171 off the United States Louisiana coast for \$1.76m cash (about £1m). Previous drilling in the block, covering 4,700 acres, 50 miles offshore, established three oil-producing formations and one gas zone.

Business appointments

RWS executive changes

Mr L. T. Davies, who is a director of Royal Worcester Spode, has been made its chief executive. Mr P. Thompson becomes deputy chief executive. Mr J. P. Collins has relinquished his appointment with Royal Worcester and Royal Worcester Spode.

Mr John Turnbull has become an executive director and head of the banking department of Chatterton Lapthorn.

Mr Robert Hunt, chairman and chief executive of The Dowry Group, has been elected president of the Society of British Aerospace Companies, succeeding Mr Michael Cobham, chairman and managing director of Flight Refuelling.

Mr Charles Carr has been appointed managing director of Amoco (UK) Exploration in succession to Mr J. R. Robson, who is to become president of Amoco Egypt Oil in Cairo.

Mr P. L. Johnson is to become main board director of engineering for Kansmores, Sims & Jefferies.

Mr J. E. Snell joins the executive board as marketing director, and Mr F. G. Catchpole as marketing

EDITH LIFTS DIVIDEND RATE to Issue Shares for Portfolio Investments

Annual General Meeting of Estate Investment Trust Limited on 21 June, 1977, approved an increase in the rate from 7p to 7.5p for the year to 1977. The higher rate is payable on capital increased by a 1-for-10 issue last year. A further 1-for-15 issue was also approved.

In the Statement of the Chairman, when we were:

153

128 listed companies.

the year we invested over

in the equity of 22 unlisted

ties.

Copies of the Report and Accounts and further information are available from the Secretary.

ESTATE DUTIES INVESTMENT TRUST LIMITED
91 Waterloo Road, London SE1 8XP. Telephone 01-928 7822.

quoted investment trust managed by Industrial and Commercial Finance Corporation (ICFC). EDITH specialises in the purchase of minority shareholdings in private companies, so enabling existing shareholders to make provision for personal taxation without parting with control of their companies.

Wm Baird, MY Dart in cash call for £3.4m

By Ashley Drucker

Two companies which in the past few months have turned in impressive results are among the latest to make cash calls on shareholders by way of rights to raise a total of £3.4m. They are William Baird, now all but exclusively a textile concern, which seeks to bring in some £2.88m, and MY Dart, sports equipment, packaging materials and pyrotechnics, for some £514,000.

Baird's issue is of 2.75m ordinary on a one-for-five basis at a price of 108p. This is at a discount of 25p on the share value. The new shares will be entitled to all dividends for the current year to December 31, 1977. Warburgs are the underwriters.

At December 31 last, the share capital and consolidated reserves amounted to £1.8m.

Loans totalled £1.09m, net bank overdrafts £5.25m, making total borrowings some £9.34m. The increase in loans in 1976 from £1.19m to £4.09m reflected partly the cash element of the

consideration for Thomas Marshall Investments and partly the refinancing of overdrafts into medium-term loans. The consequent increased requirement for working capital increased overdrafts from £4.17m to £5.25m.

In the year to December 31 last, pre-tax profits were at a record £4.83m compared with the depressed £1.77m in 1975. In the four months to end-April sales and estimated profits are "well ahead" of the same period. It forecasts total dividends of 9.1455p net, some 14.0639p gross on the enlarged equity. At the issue price of 108p, the forecast dividend would give a gross yield of 13.02 per cent.

MY Dart's issue is a one-for-seven on a one-for-five basis at a price of 108p. This is at a discount of 25p on the share value. The new shares will be entitled to all dividends for the current year to December 31, 1977. Warburgs are the underwriters.

At December 31 last, the share capital and consolidated reserves amounted to £1.8m.

Loans totalled £1.09m, net bank

overdrafts £5.25m, making total

borrowings some £9.34m. The

increase in loans in 1976 from

£1.19m to £4.09m reflected

partly the cash element of the

enlarged equity.

Associated British Foods

'Our wide spread of interests at home and abroad adds up to a very successful year'

Financial highlights

	1977	1976	1975
Sales	£1490.9	£1301.5	£1066.8
Profits before tax	80.4	65.7	45.5
Profits after tax and minorities	34.6	28.2	19.5
Net assets	£396.0	£333.4	£288.3
Capital expenditure	£62.0	£51.0	£43.0
Earnings per share	9.86p	8.56p	6.01p
Dividend per share	2.08p	1.73p	1.59p

Points from the statement by the Chairman, Mr. Gary H. Weston

- The results demonstrate the strength of Associated British Foods through its broad diversification in the food industry at home and overseas.
- Excellent progress by our smaller United Kingdom based manufacturing companies.
- In the United Kingdom we have continued our programme of heavy capital expenditure and covered our working capital requirements, without increasing our borrowings.
- A higher return on assets has been achieved, demonstrating the efficient use made of our assets.
- Net margins overseas were maintained at the previous year's level of 6.7%, while those in the United Kingdom increased from 4.2% to 4.7%.
- Dividends increased by 20%.
- Even with an intensification of competition, the strength of the Group is such that we view the future with confidence.

Associated British Foods Limited, 40 Berkeley Square, London W1X 6BR.

Current Cost Accounting



We have been advising companies on the up-to-date value of their assets for over 150 years

Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square, London W1A 3BC
01-629 9292
CITY OF LONDON, 100 NEW BOND STREET, LONDON W1C 5EJR
ASSOCIATED OFFICES PARIS, BRUSSELS, AMSTERDAM & JERSEY

BURNETT & HALLAMSHIRE GROUP	
RECORD RESULTS	
1977	1976
Turnover	£27,484,000
Group profit before tax	£2,474,000
Return on capital employed	34%
Earnings per share	24.01p
	19.33p

"There has been growth on all fronts with each division contributing to increased profits."

N. F. SWIFFEN, CHAIRMAN

Chartered Accountants
BURNETT & HALLAMSHIRE GROUP
100 NEW BOND STREET, LONDON W1C 5EJR

CREME CREME

-Managerial-Administrative-Secretarial-Personal Assistants-

CONFIDENTIAL SECRETARY
circa £4,000

INTERNATIONAL MONEY BROKERS, E.C.4.

Applications from candidates, preferably 40-50 with a good level of experience.

The successful candidate, who will be responsible to the Directors, include travel and personal correspondence, liaison with associated companies, international travel arrangements, etc.

Qualities include tact, accuracy, reliability, an open-minded attitude to language useful but not essential.

Conditions include own office, permanent health insurance, non-contributory and P.P.P.

On strict confidence to the Company Secretary, Tullett & Riley Holdings and House, 63 Queen Victoria Street, London, E.C.4.

Institute of Chartered Accountants
In England and Wales

Marketing Assistant

courses, conferences and
packaged training material
to the Director Post-Qualifying Training for:
ordination and organisation of the Courses
and marketing requirements
duction of promotional material, including a
very handbook, for major programmes of
se, conferences and packaged training
material
useful applicant will have:
clarity in the use of words and, to a lesser
ent, figures
diness and dependability during periods of
activity
good grounding in office administration
pensity to innovate and adapt to changing
instances
cal assistance will be provided and the needs
panning department provide plenty of
nity for further development
tem of flexible working hours is in operation.
ing salary will be between £3200 and
per annum.
y with career and personal details to:
M. H. Luke, P.O. Box 433,
Chartered Accountants' Hall,
Corsets Place, London EC2P 2BJ;
(Tel: 01-828 7050)

Secretary c. £3,500

Howden Underwriting Limited, one of the
underwriting agencies at Lloyds, have a new
Director joining them.

A capable shorthand secretary who is
dealing with people at all levels and who will
be most of this interesting opportunity.

Secretary c. £3,500

A Secretary requires Audio Secretary 25-35 with
secretarial skills at director level who will now
progress into a more demanding position
p.s. duties.

Poss to offer attractive fringe benefits, pleasant
offices, and honour any existing holiday
terms.

For information please write to or telephone the
Personnel Officer, Personnel Department, 107-112
St. James's Street, London EC3A 4AL. Tel: 01-283

**ander
wden Group Limited**

INTERNATIONAL DRILLING FLUIDS

ANY
growing organization providing technical
ice and products to the exploration oil
try.

exceptional, adaptable career oriented
st/Receptionist to provide back-up to an
active young management team.

TION
typing speeds (min. 60 wpm) and accuracy
IBM (IBM) typewriter), knowledge
ABX1 switchboard, good telephone manner,
appearance.

usual top company benefits apply.

£4,000 per annum.

: S. Gurdridge,
National Drilling Fluids (UK) Ltd.,
Knightsbridge House, Knightsbridge, SW7 1RT.
phone: 01-584 8522.

MANAGING
secretary
PA/Sec. who
for the best
in. To £3,750.

IR PROFES-
to run bi-
£3,500+ Net.

IMPORTERS
1 experience
good speed.

To £3,500.
good Secre-
are looking
reading, well

inson Bureau
d Street, W.1
3005

ARTNER'S
ETARY
NEG.

active offices
top Executive
Sector Partner
Knowledge of
prepared
ative responsi-
and contact
and typist
S. BOGARTY
97311

CONFIDENTIAL SECRETARY
circa £4,000

INTERNATIONAL MONEY BROKERS, E.C.4.

Applications from candidates, preferably 40-50 with a good level of

experience.

The successful candidate, who will be responsible to the Directors, include

travel and personal correspondence, liaison with associated companies inter-

national travel arrangements, etc.

Qualities include tact, accuracy, reliability, an open-minded attitude to

language useful but not essential.

Conditions include own office, permanent health insurance, non-contributory

and P.P.P.

On strict confidence to the Company Secretary, Tullett & Riley Holdings

and House, 63 Queen Victoria Street, London, E.C.4.

oooooooooooo

Institute of Chartered Accountants
In England and Wales

oooooooooooo



Residential property



SAVILLS

WILTS—Milton Lilbourne

Pewsey 2 miles, Marlborough 7 miles.

UPPER FARMHOUSE

Extremely attractive farmhouse in this quiet village. 3 reception rooms, 6 bedrooms (2 attics), dressing rooms, 3 bathrooms. Outbuildings, superb garden, 2 potential building plots. Paddock, Pair Cottages (1 let). About 7 acres. AUCTION 28th July (unless previously sold) as a whole or in lots.

SAVILLS, London Office, Tel. 01-499 8644 and Cheviot House, Castle Street, Salisbury. Tel. (0722) 20422.

LLANDUDNO—

The Lady Forester

Convalescent Home

Liverpool 60 miles.

Approximately 12,000 sq. ft. of useable space. Purpose built convalescent home in fine elevated position. Overlooking Llandudno suitable for a number of institutional uses (subject to planning), 13 reception rooms, domestic offices, 35 bedrooms, 18 bathrooms, oil-fired central heating, 3 cottages (1 let), outbuildings. About 15 acres.

SAVILLS, London Office, Tel. 01-499 8644.

ELSTREE—HERTS

Barnet Arch 11 miles.

Interesting, contemporary single storey house in an exceptional position on the edge of the green belt overlooking Aldenham Park and surrounded by delightful gardens. Hall/sun room, open plan sitting and dining room, modern kitchen. 5 bedrooms, bathroom, shower room, under floor central heating, double garage, garden room/studio, garden and hard tennis court. About 1 acre.

SAVILLS, London Office, Tel. 01-499 8644.

OXON—Merton

Bicester 5 miles.

A spacious period family house, quietly situated within its own ground. 5 reception rooms, kitchen and utility, 7 bedrooms, 3 bathrooms, garage, stable and outbuildings, gardens, grounds and paddocks of about 4.5 acres. Offers invited in the region of £55,000.

DEVON—South Molton

Barnstaple 15 miles, Tavistock 34 miles.

Exceptional well positioned country house in fine rural setting. 4 reception rooms, well equipped kitchen/breakfast room, 7 bedrooms, dressing room, 3 bathrooms, garage, stable and outbuildings, gardens, grounds and paddocks of about 18 acres. Offers invited in the region of £55,000.

SAVILLS, London Office, Tel. 01-499 8644; and Wexford House, Banbury. Tel. (0202) 887381.

20 GROSVENOR HILL, BERKELEY SQUARE, LONDON, W1X OHO. TEL: 01-499 8644.

Hampton & Sons

HENLEY-ON-THAMES

EARLY VICTORIAN TOWN RESIDENCE with riverside location commanding fine views of the Thames. 5 bedrooms, 3 bathrooms, 2/3 reception rooms, C.H. Modern kitchens. Courtyard gardens to rear and formal gardens to the front. (Could suit 2 family occupation.) River mooring. PRICE: £47,500 FREEHOLD. Joint Sole Agents: Chambers & Co. Tel. Henley-on-Thames 2371. (SEP)

LOUDWATER, SOUTH WEST HERTS.

AN OUTSTANDING RIVERSIDE HOUSE, superbly appointed, in an unusual position on the edge of the Chilterns. Period house of 6 bedrooms, dressing room and sitting room, 3 other principal bedrooms, 2nd bathroom, superb drawing room, dining room, kitchen, laundry room, Gas-fired central heating, 2nd bathroom, 2nd laundry room, 2 bedrooms, bathroom, kitchen. Double garage. Car Port. Lovely secluded grounds of about 3 acres with lake and island and heated swimming pool. OFFERS INVITED FOR FREEHOLD.

(SEP)

KINGSWOOD, SURREY

Regate 4 miles, Croydon 8 miles. A MOST ATTRACTIVE ARCHITECT DESIGNED MODERN HOME of character in very pleasant setting. Close to the 200 acre country village shop and station (London 35 minutes). 5 bedrooms, bathroom, entrance hall, 3 reception rooms, kitchen, utility room, Gas-fired central heating. Garage. Pretty garden about half acre. FREEHOLD £55,000.

ESHER, SURREY

A PROPERTY OF GREAT CHARM and once a "Grace and Favour" residence. Superbly modernised and standing in an elevated and secluded position. Master bedroom with en suite bathroom, 4 other bedrooms, shower room, reception hall, cloakroom, 3 reception rooms, kitchen, staff bed-sitting room with shower. C.H. Garage. Gardens with magnificent outlook. PRICE: £55,500 FREEHOLD. (TM)

QUIET CORNER OF ESHER, SURREY JUST OFF LITTLEWORTH COMMON

DIGNIFIED AND PLEASANT FAMILY HOME, 5 bedrooms (2 en suite with bathroom and shower room respectively), 2nd reception room, kitchen, utility room, laundry/drying room. Charming mature garden (secluded) —1 acre. PRICE: £55,000 FREEHOLD. (FDE/CL)

WANTED FOR ENGLISH BUYER COTSWOLDS—OXON/GLOS.

17TH/18TH CENTURY COTSWOLD HOUSE, village situation preferred. Must have 5/6 bedrooms, self accommodation. Minimum 5 acres. FUNDS AVAILABLE OF £100,000/£150,000. Details to S. E. Perks. Commission required.

6, Arlington Street, St. James's, London, S.W.1
01-493 8222

Country property

RYE EAST SUSSEX

HIGH STREET POSITION
Prestige Period House, independently owned, ideal for sale of antiquities
£38,500
Details: Rye 3825 (after 7 p.m.)

NOTTINGHAM RIDDINGTON

SOUTH HALE FARM

An attractive 16th-Century Farmhouse

Traditional Buildings
Productive Grassland
Valuable Woodland

In all about 114 ACRES

For Sale as a Whole or in 3 Lots

Details from: Cluttons,
74 Grosvenor Street, W.1.
Tel: 01-491 2768

WEST SUSSEX KIRDFORD

Enchanting period cottage in unspoiled village. Sitting room, 2nd floor, 2nd floor, double bedrooms, central heating, garage. Very small secluded garden. Box 1761 J. The Times.

SCOTLAND, FIFE

1.4 century house of character. 2 parlours, 4 double bedrooms, 2 single, kitchen, 2 bathrooms, central heating, double garage. 16 acres. £20,000. Sale freehold. Tel: 01-386 0225.

BERKS: No. 34, near Hungerford. Superbly modernised, centrally heated, 3 bedrooms, 2 bathrooms, 2 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-635 4177, or Dorking 2299.

SEAL: No. Sevenoaks. Picturesque detached village house, central fire, 4 double bedrooms, 2 single, 2 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-635 4177, or Dorking 2299.

GREAT BRICKHILL: A substantial country house, 16th century, with heated swimming pool. Extensive views across wooded valley. 4 double bedrooms, 2 single, 3 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Further details from: Mr. Scott, Weymouth 361, or London Brixton 5667.

OXON/WARWICKS.—Fearn Compton, 10 miles, with heated swimming pool. Extensive views across wooded valley. 4 double bedrooms, 2 single, 3 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-386 0225.

NOTTINGHAM RIDDINGTON

An attractive 16th-Century Farmhouse

Traditional Buildings
Productive Grassland
Valuable Woodland

In all about 114 ACRES

For Sale as a Whole or in 3 Lots

Details from: Cluttons,
74 Grosvenor Street, W.1.
Tel: 01-491 2768

WEST SUSSEX KIRDFORD

Enchanting period cottage in unspoiled village. Sitting room, 2nd floor, 2nd floor, double bedrooms, central heating, garage. Very small secluded garden. Box 1761 J. The Times.

NORTH COTSWOLDS 16th century period house, well situated, 3 bedrooms, 2 reception rooms, kitchen, 2 bathrooms, central heating, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-386 0225.

SCOTLAND, FIFE

1.4 century house of character. 2 parlours, 4 double bedrooms, 2 single, kitchen, 2 bathrooms, central heating, double garage. 16 acres. £20,000. Sale freehold. Tel: 01-386 0225.

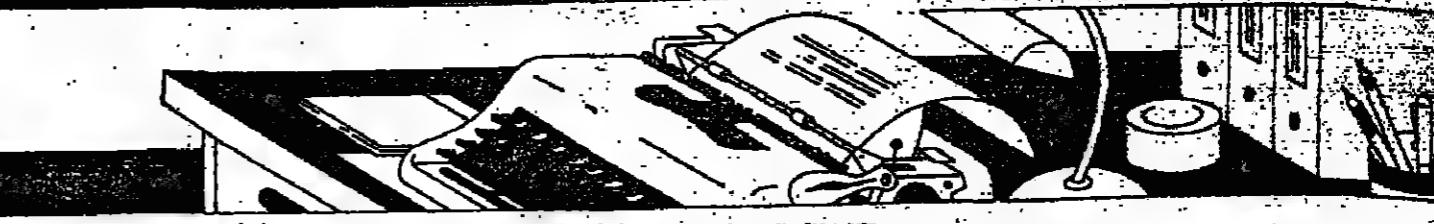
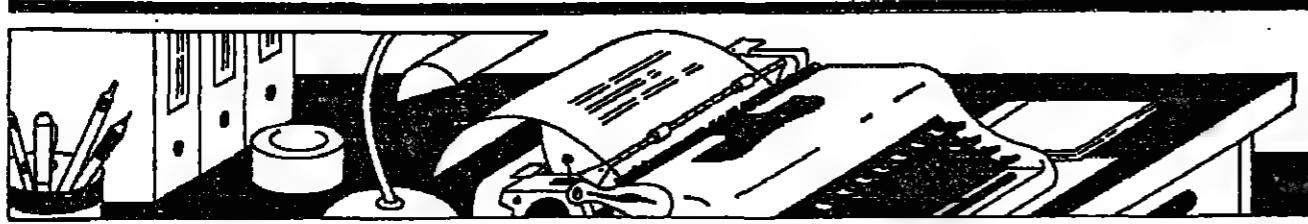
BERKS: No. Sevenoaks. Picturesque detached village house, central fire, 4 double bedrooms, 2 single, 2 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-635 4177, or Dorking 2299.

SEAL: No. Sevenoaks. Picturesque detached village house, central fire, 4 double bedrooms, 2 single, 2 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-635 4177, or Dorking 2299.

GREAT BRICKHILL: A substantial country house, 16th century, with heated swimming pool. Extensive views across wooded valley. 4 double bedrooms, 2 single, 3 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-386 0225.

OXON/WARWICKS.—Fearn Compton, 10 miles, with heated swimming pool. Extensive views across wooded valley. 4 double bedrooms, 2 single, 3 reception rooms, kitchen, garage, double garage. 16 acres. £45,000. Sale freehold. Tel: 01-386 0225.

SAVILLS, London Office, Tel: 01-499 8644.



Stepping Stones—Non-Secretarial—Secretarial & General—Tempting Times

NON-SECRETARIAL

THE BRITISH COUNCIL

is an educational and cultural organization with offices in many overseas countries. Our BOOK PROMOTION DEPARTMENT which assembles British books and periodicals to be exhibited overseas requires an ASSISTANT to help with the ordering and cataloguing, to maintain address lists and records, and to handle routine enquiries.

We offer a starting salary of around £2,800 a year with annual increments, a non-contributory pension scheme and 3½ weeks' annual holiday. Book Promotion Department is centrally located in our offices near Bond Street Station.

If you have a good general education and accurate typing and can work methodically, we should be glad to hear from you. For further details, apply to Staff Recruitment Department, THE BRITISH COUNCIL, 65 Davies Street, London W1Y 2AA. Telephone: 01-499 8011, extension 3028.

THE DESIGN CENTRE

SALES ASSISTANTS

with initiative to become involved in two exciting new prestige gift shops in the West End—15-30 & 30-45, 4 or 5 days per week, including some weekends. Excellent prospects. For further details, please contact: Anne Gilbey on 639 8000 Ext 98, 28 Haymarket, London, SW1Y 4SU.

CUSTOMER RELATIONS

MOTOR INDUSTRY SECTION
A young and dynamic department for the Motor Industry Section of the Legal Department of the British Motor Industry. You will be responsible to the Legal Advisor in the Motor Industry Section of the Consumer Service to consumers. Applications are invited from men in their 20's and preferably with some experience in dealing with customers and the law affecting consumers. A high standard of written English, tact, sense of humour and a desire to help others are essential qualities. Salary negotiable £3,000-£4,000 per annum plus perks.

The Managing Director, Managing Executive Selection, 100 Baker Street, London, W.1. 01-533 0681

REGISTRAR/RECEPTIONIST

Required for private school of the highest standard. Hours 9-5.30. Duties include general office work, answering, reception, work, information and some bookkeeping. Good telephone manner essential. £2,500-£3,000 per annum plus perks.

With full details to: Director, Regent School of Languages, 148-150 New Bond Street, London, NW1 2NG.

INTERVIEWERS TO TRAIN

Age 20-45. £2,500-£6,000. Immediate consultation. We are a well-established firm with a 100% job placement record. For a 3 month period you will be responsible for an immediate increase in composition of course. Apply to Mrs. Linda G. Marshall, Employment Agent, 100 Devonshire Lane, London, WC2. 240 5464

MAYFAIR LAW OFFICES

Young International Firm requires highly experienced, for the office, a legal secretary. Sense of humour is essential. Salary £2,500-£3,000 negotiable. May be offered a chance to work in the future. Apply to: Mr. Martin S. Barritt, 52 Grosvenor Gardens, London, SW1. Tel: 01-580 2222

ITEM 72

COMPOSER OPERATOR
for a year's experience. At least one year's experience with speed and accuracy essential. Small office, 4 weeks paid holiday, 4 weeks' holiday, 3½ hours a week. INGA. P. Marshall, 66 Grosvenor Gardens, London, SW1. Tel: 01-580 4036.

ARE YOU A RENTAL KING OR QUEEN?

Challenging opening for top Negotiator to launch expensive flat rental business. Established in Kensington and Chelsea. Excellent opportunities. Apply to: Mr. Peter S. Parker, Parker Properties, 222 1895

SALE WITH US!

As the Secretarial Member of our crew, you'll enjoy a friendly working atmosphere in our friendly West End Shipping Office. Your shorthand will be much appreciated. We offer a real variety of work, 4 weeks paid holiday, 3½ hours a week. Apply to: Mr. G. D. Marshall, 101 Grosvenor Gardens, London, SW1. Tel: 01-580 4036.

PART-TIME TESTER

aged 10-17, invisible and mark tests for three days a week. Training given. Must be well behaved and sensible. Salary £100.00. Tel: 01-580 4036.

EXPERIENCED Receptionist

Telephone: 01-51, Sloane Square. 22 days holiday. 32 days paid holiday. Company bonus. London, SW1. Tel: 01-580 4036.

SMART PERSONAL ASSISTANT

for a well-established Jewellery shop in West End. Experience not essential—good.

TEACHERS of Shorthand, Typing

and See Public & Estate Agents

RECEPTIONIST

for West End Jewellery shop and some bookkeeping. £2,500.00. £300.00. £300.00. £300.00. £300.00.

CITY SECRETARY

West End. 22 days holiday. 32 days paid holiday. £2,500.00. £2,500.00.

EXPERIENCED TYPIST

wanted to take over all typing work of a small solicitor's office in Chelmsford. £2,500.00. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

PUBLISHING SECRETARIES

for a well-established publishing firm. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS

are our best clients. We specialise in composition. £2,500.00. £2,500.00.

COLLEGE LEAVERS



German dissent. An appeal for better vocational training and workers demonstrating during an industrial dispute.

WEST GERMANY

Affluent society disgruntled by memories of better past



by Dan van der Vat

Like a man in the highest income bracket who planned his finances on the assumption of permanently increasing prosperity, West Germany is now being forced to limit luxuries for the first time since the country became rich.

Although no analogy can safely be taken too far, the note made by the affluent when they cease to be able to consume as conspicuously as they used to is not only louder than that made by the poor when they become even poorer but also commands less sympathy.

The rest of the world would agree with the Chancellor, Herr Schmidt, when he rightly points out that the West Germans have precious skills to complain

about. The recession caused by the 1973 oil crisis has rocked even the American economy far more than the West German.

To understand why so many people in the Federal Republic are feeling disgruntled, pessimistic and even deprived, one has only to choose the right place to stand as an observer.

Seen from outside, from Britain, France, Italy or the United States, the very idea that the West Germans are complaining about the state of their economy seems visible. But if, as is the case with the average voter, your yardstick is not how badly the neighbours are doing but how much better you were doing yourself four years ago, all becomes clear.

It is thus both true and irrelevant to point out that the West Germans do not know how well off they are. The important fact is that they are—or believe they are (the same thing when it

comes to forming attitudes) of unemployment among stagnating, if not going young people. Such investment as there has recently been has only compounded the difficulty of rationalizing jobs out of existence, because labour is fearlessly expensive.

The oil crisis ended the economic miracle, but many of the expectations it engendered were buried only this year, with the death of the remains of its creator, Professor Ludwig Erhard, and some of them are still alive.

This air of stagnation and disillusion constitutes a creeping crisis which is no less real for being hard to define. The symptoms of the malaise, which amounts to a crisis of self-confidence, are so diffuse that they often appear unrelated to one another. But they are to be found in the political and social spheres as well as the economic, with which it is appropriate to begin.

West Germany's gross national product rose by 5.6 per cent in 1976, on paper a remarkable achievement.

But for the first time since the foundation of the Federal Republic in 1949, economic growth failed to work its usual magic and indeed did not bring good. The fetish which had always handily repaid the worship lavished on it in the past simply failed. The national virility symbol was mocked by impotence.

West Germany's most serious economic problem, unemployment, did not respond to the growth gap and is still touching the million mark. The gravity of this problem has been disguised since the departure of half a million foreign workers, and still be necessary. West Germany can no longer afford the luxury of allowing

pensions to rise by a much higher percentage than familiar economics necessitate. The widespread feeling of discontent and frustration is further reflected in a bewildering variety of organized protests throughout society, notably against nuclear power stations but also on many other issues.

The first tentative attempts by the Government to hold down (but not reduce) the appalling costs of medical care this year, also made necessary by the recession, were met by predictable but grossly exaggerated protests from doctors, dentists and pharmacists, three of the most highly paid groups in the country and therefore the world. Here again the West Germans found that constant increases in health costs were something they could no longer afford.

The growing inability of the economy to meet long-held aspirations and expectations has inevitably begun to produce unease among young people. Not only are school-leavers finding it hard to get a job in industry or commerce, but also the children of the professional and managerial classes are having to get higher qualifications for more lowly jobs.

This is one of many factors adversely affecting the ailing education system. School-leavers' disillusion caused by the "perform or perish" requirement is rising as opportunity declines. Budgetary economies have simultaneously produced serious understaffing and a large unemployed surplus of teachers.

Universities are being disrupted this summer by protests about grants, over-crowding, bureaucracy and plans for reform. All political parties constantly refer to West Germany's "educational misery", parents are up in arms and students obviously dissatisfied. The tug of war between the Federal and state governments over the amount of money to be spent on education has become an issue in the United States, even though it is difficult to see why as it can hardly be for the future.

There is therefore little chance of a domestic boom to enliven the economy and help West Germany's trading partners with their much more serious problems.

High unemployment, short time working and cuts in overtime have combined with a "bulge" in the retirement age group and the recession to cause a big crisis of cash in the national pension fund, which relies for contributions on the 18 per cent of gross income paid into it jointly by workers and employers. The pension growth rate is to be cut after this year, some fringe benefits will be reduced, and an increase in contributions may still be necessary. West Germany can no longer afford the luxury of allowing deficits in the budget

in so in no position to meet this still largely subterranean but increasingly important challenge to its economy. In Bonn, both Government and opposition have turned in on themselves. The shortage of new ideas, the dearth of alternatives and the lack of room for manoeuvre, exacerbated by the recession, have left both camps with all too much time for factionalism.

In Herr Schmidt, West Germany has at its head one of the most gifted statesmen in the world. He made his name by coping brilliantly with specific crises, but a world recession is beyond his powers, and the domestic crisis of doubt is too large and all-pervading to be crisply ordered out of existence.

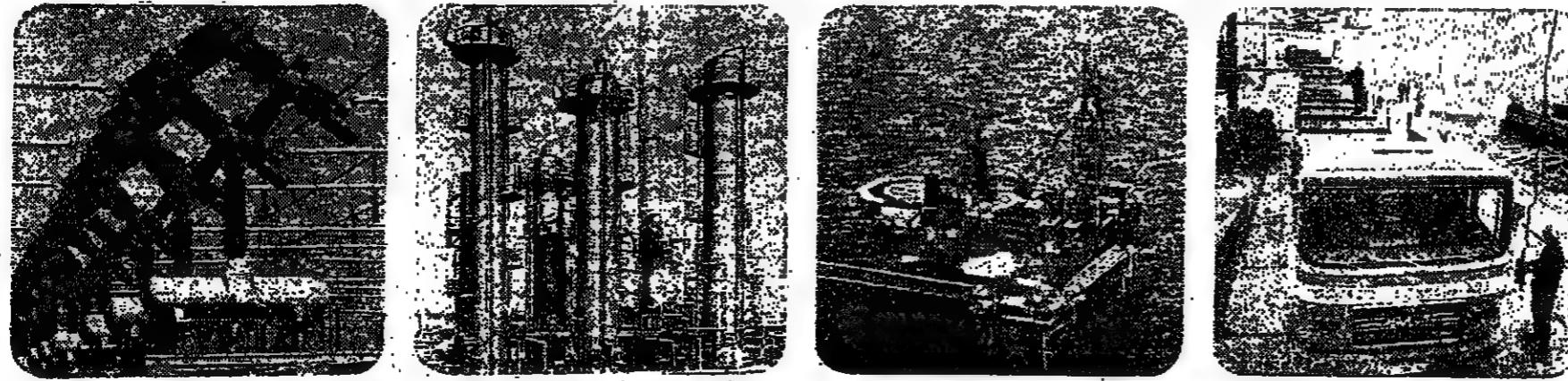
The Chancellor appears increasingly isolated. He is too close to the political centre to enjoy much support from his party, the Social Democrats, now engrossed in an enerating and spreading struggle between moderates and leftists.

West Germany's difficulties are unique in quality, but in degree they fall far short of those of the rest of the world. The response to them, however, helps to explain why a recession is often called a depression. It is high time the West Germans started to count their blessings.

VEBA putting Energy work for a secure Future.

VEBA's sources of strength are in the area of energy, manufacturing, trading and transportation. In each field Group companies operate under their own established names. For instance, PREUSSENELEKTRA and VEBA KRAFTWERKE RUHR supply millions of households and many industrial users with electric power

specialize in worldwide trading and transportation with close on 1,000 offices strategically located throughout Germany and many countries around the globe. Gasoline is distributed through ARAL AG's 10,000 stations in Germany and other European countries. VEBA ranks as one of Germany's top industrial concerns with yearly Group turnover exceeding DM 27 billion.



generated from various fuels such as pit coal, oil, natural gas and nuclear energy.

VEBA-CHEMIE, a multi-product oil and chemical concern, concentrates in crude oil processing with vast experience in petrochemicals. It supplies fuels to industry as well as specialized products such as fertilizers to a broad clientele.

DEMINEX is active in global oil exploration with a substantial stake in the North Sea where exploitation will begin soon. STINNES and RAAB KARCHER

The Group's broad base makes it a good partner for joint venture projects on a national and international scale and its know-how in many fields can be of considerable benefit to its business partners. With one million shareholders, more than any other European company, the VEBA Group contributes significantly to the broad spectrum of German economic life, and as one of the foremost energy concerns in the country, it is well positioned to meet the challenges of the future.

VEBA
Energy
is our Business

VEBA AG, Karl-Arnold-Platz 3 - P. O. Box 300306, D-4000 Düsseldorf 30 - West Germany

a Special Report

have made more other un-necessary. The widespread feeling of discontent and frustration is further reflected in a bewildering variety of organized protests throughout society, notably against nuclear power stations but also on many other issues.

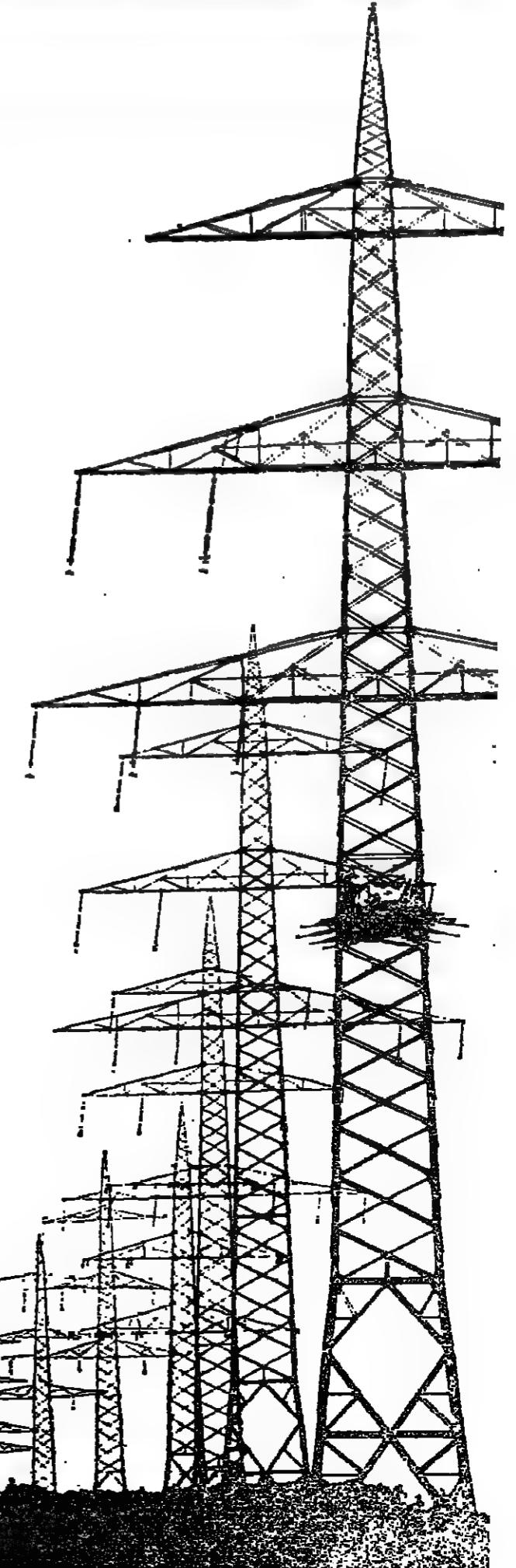
To describe this new wave of general social unease as "unrest" would be an exaggeration in any other context, and probably in the West German at this stage. It is also an exaggeration. But since the national passion for orderliness expresses itself not only in the smooth running of the country, but also in a lack of flexibility, a mistrust of spontaneity, an extreme desire for agreement and enormous pressure to conform, the social temperature is measurably rising.

The endless petty restrictions imposed on personal freedom to appease bureaucracy, eliminate even constructive conflict and limit the need for personal initiative, the irreducible minimum job make it difficult to become an outsider and even a law-breaker. A society which traditionally seeks to make tolerance superfluous by rules and regulations is bound to get into difficulties when the rewards it offers in compensation become scarcer.

Universities are being disrupted this summer by protests about grants, over-crowding, bureaucracy and plans for reform. All political parties constantly refer to West Germany's "educational misery", parents are up in arms and students obviously dissatisfied. The tug of war between the Federal and state governments over the amount of money to be spent on education has become an issue in the United States, even though it is difficult to see why as it can hardly be for the future.

There is therefore little chance of a domestic boom to enliven the economy and help West Germany's trading partners with their much more serious problems.

High unemployment, short time working and cuts in overtime have combined with a "bulge" in the retirement age group and the recession to cause a big crisis of cash in the national pension fund, which relies for contributions on the 18 per cent of gross income paid into it jointly by workers and employers. The pension growth rate is to be cut after this year, some fringe benefits will be reduced, and an increase in contributions may still be necessary. West Germany can no longer afford the luxury of allowing deficits in the budget



ADVERTISEMENT

Germany and the European Elections

The Bonn Cabinet has finalised the text of the draft Bills for direct elections to the European Parliament.

Like Britain, France and Italy, the Federal Republic of Germany will have 81 out of the 410 seats in the European Parliament. They will include three representatives from Berlin, who will be elected by the Berlin House of Representatives in accordance with the city's special status.

When it comes to how to elect "Euro-M.P.'s", the ruling Bonn coalition of the SPD and FDP support the idea of proportional representation through federal lists, so that each voter has one vote for the party of his choice. The parties would put forward lists with the names of candidates and the seats would be allocated in proportion to the number of votes obtained.

The opposition CDU and CSU favour a system in line with what is already done in federal elections: they propose that 40 of the 78 deputies should be elected directly and that the country be split up into 40 large constituencies for that purpose. The other 38 would be elected by a proportional system via lists of candidates drawn up by the federal parties in each Land (state). This would mean that, as in federal elections, each voter has two votes, one for his constituency candidate and one for his party list.

Not just political parties but also other political organisations which have sufficient members will be entitled to put candidates in the field. The five-per-cent clause will, however, apply to them as well as to the political parties, i.e. only those which poll five per cent of votes cast can enter deputies into the European Parliament. This measure has been successful in the Federal Republic of Germany in curbing the proliferation of splinter parties.

Right to vote

Herr Andreas von Schoeler, Parliamentary State Secretary to the Minister of the Interior, in outlining recently some of the technical aspects of the Euro-Parliament legislation, said that German citizens who would normally vote at home but were living in other member-countries of the Community could have the right to vote.

Members of the European Parliament will enjoy the same privileges and immunities as members of the Bundestag.

Bundestag members will as before be allowed to sit in the European Parliament as well—it is not felt that simultaneous membership of the two legislatures will lead to conflict. On the contrary, Herr von Schoeler said that it would give the European Parliament added prestige and influence to have among its members politicians prominent in public life back home. He added: "Politically, it would be most opportune, in the early days at least, to have a definite personal link between the European Parliament and the Bundestag."

Political goal

Speaking in the Bundestag during discussion of the Bills, Herr Hans-Dietrich Genscher, the Foreign Minister, said: "With direct elections to

the European Parliament a new phase in the history of European unification will begin.

"We all know that the work of European unification has been strongly determined by economic factors and that it will continue to be determined in this way in the future. But the goal of European unification was always political: together we want to build a Europe which at home makes a life of freedom and self-determination a reality for all its citizens and which in the world at large stands for freedom, democracy and justice.

"Yet such a Europe should not be just a Europe of governments, it must become far more a Europe of the citizens. With the direct elections to the European Parliament we are taking a decisive step towards this Europe of the citizens, a step in the direction of a Community in which not just the member states have a democratic constitution but the Community itself as well.

"Today people regard the European Community principally as a huge control apparatus, far away in Brussels, and as institutionalised, continuous negotiation between the governments. The direct elections must give a new direction to this. For the first time a Parliament is coming into existence which has been—in the European sense—legitimised."

"Live" idea

President Walter Scheel gave his view on the question of direct elections in a speech at Aachen on May 19, when the city presented him with the International Charlemagne Prize for his work for European unity. The President said:

"I welcome the direct election to the European Parliament with all my heart. This gives an opportunity for the idea of Europe to come alive again among the peoples of Europe. It must bring results, though, because otherwise there is the danger that the citizens of our countries become disappointed or (which is even worse) bored.

"Europe's political unification is a labour of peace. It does not serve merely the interests of Community members. It promotes the welfare of all European countries. Since it was founded it has been open to all the democratic countries of Europe. It seeks, too, peaceful co-operation with the countries of Eastern Europe; it seeks to build bridges to the other democratic countries of the world."

"The peoples of the Community would—as I see it—serve the cause of peace best if they were to join together in a European Union. Yet time is running out. If Europe really doesn't come to its senses quickly, the factors working towards disintegration could become uncontrollable.

"I believe that we should act quickly. The risk of doing nothing is great. The economy has undergone an unexpected upsurge because of the European solution. Why should Europe's political strength not expand likewise through a political coming together?

"In the past many have sought to unite Europe by force. It always ran into trouble. Let us unite Europe with insight and of our own free will. It is the most beautiful and rewarding historical task that has ever been set us."

If you want to sell in Germany, talk to us first.

Axel Springer Verlag. One of the country's biggest publishing groups. We can begin to help even before you begin to sell. Information, market statistics, advertising studies, media analyses, contacts in the field, informal advice—all yours, absolutely free—without obligation. And once you've defined your target audience, **Axel Springer** Verlag deliver it.

Decision-makers? **DIE WELT** picks up 690,000 readers every day—many of them the country's opinion leaders. The regions? **BILD** gives you 26 editions. Buy the lot and you've got Europe's biggest daily sale with 10½ million readers.

Families? **HÖR ZU** gives you the largest readership of any magazine in Europe—and 29% of the entire German population each week. **WELT AM SONNTAG** and **BILD AM SONNTAG** are respectively Germany's only national quality and popular Sundays.

Local papers, family, leisure, sporting and women's magazines—they're all part of the Axel Springer Verlag. No other publishing group offers you as wide a choice.

If you're thinking of Germany, we'd like to help. UK enquiries contact Kristian Wentzel, The Axel Springer Publishing Group, 58 Jermyn Street, London SW1. Tel. 01-493 9954. International enquiries contact Armin Klug, Advertising Sales International, Axel Springer Verlag, Kaiser-Wilhelm Strasse 6, 2000 Hamburg 36. Tel. Hamburg 3471, Telex 0211 898.

The two most useful words in the German language.



by Dan van der Vat

Few countries are more conscious, or self-conscious, about their foreign relations than West Germany, which holds a world record in that it shares its borders with nine states.

The northern and western borders adjoin Denmark, Belgium, Luxembourg and France—all members of the Federal Republic of the European Community. To the south lie the neutral, largely German-speaking Switzerland and Austria, with which West Germany enjoys excellent and uncomplicated relations.

In a sentence, Bonn seeks to anchor itself in the West through its membership of the Warsaw Pact. Just as the weather in West Germany tends to cool when the wind blows from the east, so the temperature of its relations with the rest of the world follows the pattern of those of most other western states.

Although the Federal Republic occupies only the western half of old German Reich, and although only the small states of Holland and Belgium lie between it and the west coast of Europe, West Germany remains a Central power.

In recent months, détente has not been fashionable in the eastern block as the Soviet Union eddies a way and unpredictable new American president. Mr Carter's human rights campaign is regarded in Bonn

European power, facing east with ill-conceived alarm, as unexpected difficulties in the relations with Poland and the fragile structure of improvements in relations with the east so painstakingly established over the past decade.

West German spokesmen publicly agree that the President's heart is in the right place but make no secret of their view that détente must come before the human rights issue, if a choice must be made.

In the case of Soviet-American relations has the inevitable incident consequence of affecting Moscow's relations with West Germany, the United States' most important military and economic ally.

Relations with the eastern block are thus in a state of suspense, though the Russians, perhaps realising their way towards a divided and dual policy to frustrate Mr Carter's aim of revitalising the West by a new dynamic, in America's leadership, have begun to change, even though in Bonn's ear. Important improvements in Soviet-West German relations are being heavily limited at the for the visit to Bonn in the autumn of Mr Brezhnev, the Soviet party leader.

While in general for the West Germans all is quiet on the eastern front, they have recently experienced

Nine neighbour states

nudge the Federal Republic

other member. But the West Germans are seriously worried by the stagnation in the East Germany.

The Polish media earlier this year suddenly opened a virulent anti-German campaign, rehearsing all the old canards about Nazism and neo-fascism. This was recently revived, and a bill so that the visit of the Chancellor, Herr Schmidt, to Warsaw in the autumn is likely to be a delicate affair.

For the West Germans, relations with East Germany have nothing to do officially with foreign affairs. They are separately handled by the Chancellery, and they are dreadfully bad, the situation in Berlin being, as ever, the focal point of the differences.

Not has all been well in Bonn this year in its relations with the Western allies. If Herr Schmidt got off on the wrong foot with Mr Carter by openly favouring his rival, Mr Ford, in the presidential campaign, the new President began his term by giving the cold shoulder to the United States' leading ally and thus returned the doubtful compliment with interest.

West Germany can only rejoice that Mr Carter's initiative has already begun to lift Nato out of a stagnant period, as the alliance means more to Bonn than to any

Given that Herr Schmidt attaches special importance to his own relationship with the leader of another country, a good relationship between their states, the warmth between himself and Mr Callaghan helps to ensure generally excellent Anglo-German relations. The only difficulty remains the question of officer costs of British forces in Germany.



Immigrant Spanish workers demonstrate in two languages.

A grand coalition of malcontents brings dissent on to streets

"All Germans shall have the right to resist any person or persons seeking to abolish (the) constitutional order, should no other remedy be possible."

Federal German Basic Law, Article 20

This remarkably unquiescent provision of West Germany's Basic Law (constitution) was inserted as an amendment in 1968, when the country was still troubled by the worst bout of civil disorder since the foundation of the Federal Republic in 1949.

The formation of the "grand coalition" Government of Social Democrats and Christian Democrats in 1966 signalled for many people the end of effective opposition to the Bundesrat. They took to the streets, began their own "long march through the institutions" and formed the "extra-parliamentary opposition".

The issue which has aroused the country over the past year more than all others put together is the national nuclear energy programme. But there is no discernible difference between the parliamentary parties on this; the Bundesrat has therefore been unable to debate it in the true sense of the word and the state governments have been falling over themselves to grant planning permissions for nuclear power stations in almost indecent haste.

Another paragraph of the same constitutional article says: "All state authority emanates from the people. It

shall be exercised by the people by means of elections and voting and by specific constitutional order, and by specific legislative, executive and judicial organs" (official English translation).

A large and increasing number of West German citizens feel this provision is being ignored in the spirit, if not in the letter. Despite a turnout of more than 90 per cent at the last two general elections, disenchantment with Parliament and the parties represented in it is growing fast.

The reasons are not hard to find. The political spectrum in West Germany is extremely narrow, regardless of the furious rows between Government and Opposition and the internal disputes within each camp, where the intensity varies in inverse proportion to the degree of difference of opinion.

The issue which has divided the country over the past year more than all others put together is the national nuclear energy programme. But there is no discernible difference between the parliamentary parties on this; the Bundesrat has therefore been unable to debate it in the true sense of the word and the state governments have been falling over themselves to grant planning permissions for nuclear power stations in almost indecent haste.

West Germany has already had to pay a high price for this cavalier treatment of the misgivings of hundreds of thousands of

citizens. They have taken up a pro-nuclear front only to encourage the objectives in their belief that they are from the *Bürgerinitiative* or civic action campaign.

There are now thousands of such campaigns, although estimates of the total number of such groups vary wildly between 3,000 and 50,000. But it has been shown beyond doubt that the total membership of all these groups comfortably exceeds the two million people in West Germany who are politically committed enough to belong to the parties represented in the Bundestag.

Civic action groups campaign on all manner of issues, from demanding a housing estate to opposing pollution. But it is the mass campaign against nuclear power stations which has attracted the most attention and support, and caused the most disruption.

The overwhelming majority in the protest movement abhors the tiny drug element which, having miserably failed to gain any measurable support at the polls, seeks to further its destructive aims on the backs of thousands of concerned citizens.

At the same time the violent minority is one indication, however distorted, of the way the wind of dissent is blowing in West Germany, which can be measured on a kind of Beaufort scale ranging from opacity to terrorism.

If these unprecedented victories prove lasting, they could mean the loss of hundreds of thousands of jobs and of thousands of millions of Deutsche marks to industry. The fact that the trade union movement, industry and finance are bound up with the legislature, the executive and the political parties in the

stridency and those who are abiding and orderly as the Germans can be.

Thousands of students are expressing across the country over a whole series of issues from inadequate grants for university reform, by way of overcrowding, education, graduate unemployment and increased authoritarianism.

All this should not taken to mean that German democracy is on the brink of collapse. Far from it. The entire legitimate mainstream of this new powerful current of dissent is made up of young middle-class and well-educated people whose main demand is for more democracy, less

Article 20 of the constitution has not been cited as the reason. The "resistance clause" is being increasingly justified as part of the new wave of protest, especially when it begins to move towards breaking law.

It all amounts to an important challenge to certain political parties, the danger of losing touch with the people, an inflationary bureaucracy increasing its daily tasks of representing an increasingly complex and

D. v.d.V.

Unemployment still black spot after two years of economic recovery

Norman

Two years since economy began of the most to have hit the Second

Two years recovery and on by Herr

Erhard, West

still faced with

problem of

reached its

8 months ago

end of January

over 1,350,000

registered as

jobs.

more than a

75 and 1976

importance

or last winter

this spring

to just under

end of May.

every other

nic policy has

been over the

which Herr

is a root cause

recession in

other countries.

incomes over the

rate of

can is even

the economic

in West Ger

still com

with fore

other deve

on makes a

ng for infla

it cannot

reflecting the

the economy.

or the third

West Germany

the public sec

per cent of

cent in 1976

In 1975, the

is financing

proportionally

the United

3 per cent.

policy is

Switzerland,

unique discon

red indication

is lower than

responsible of

man Federal

cooperative with

local auth

based special

made by the

and have

00m in stimu

create or at

employment

other measures

the past two

a reform of

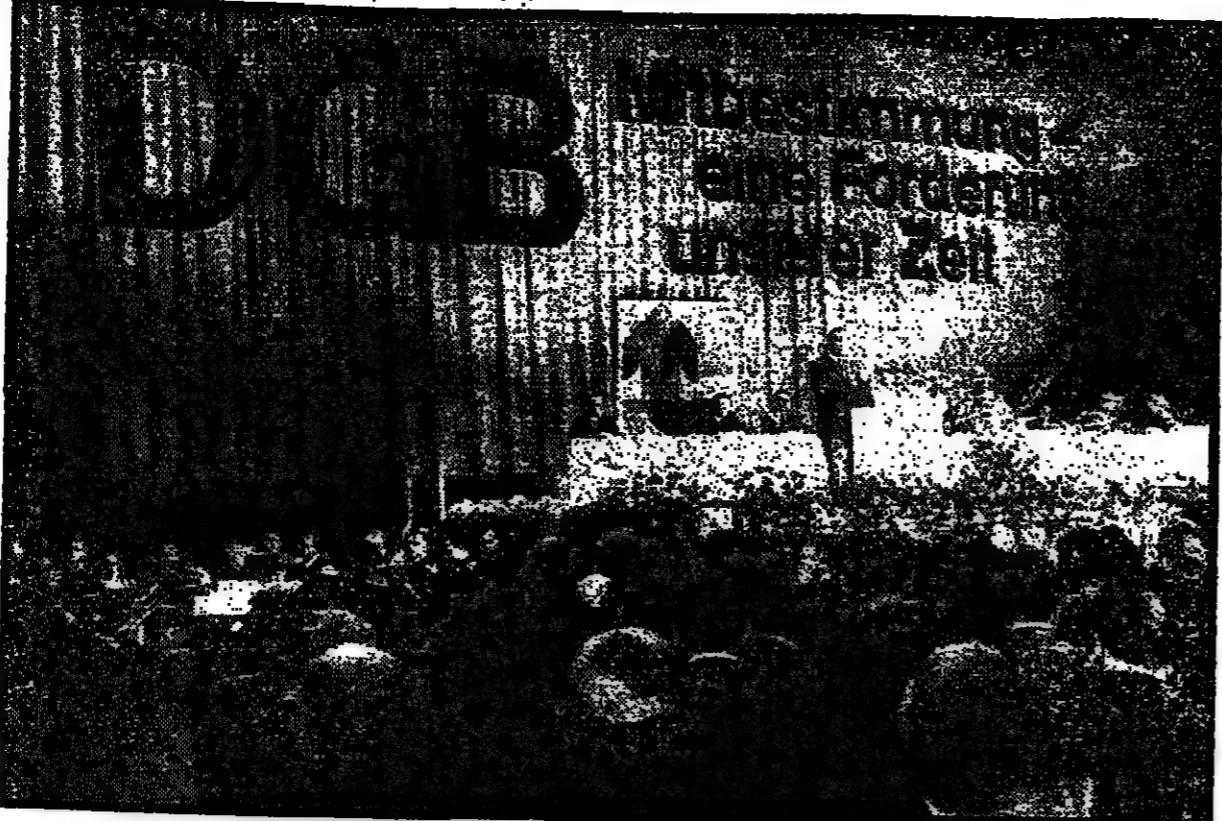
and family

is limited

and towards

stimulus and

of low inter-



A trade union federation meeting: little support for shorter hours and lower incomes.

increase in
product with a
5.6 per cent.
the offic
for this
revised
4.5 per cent.
akers and eco
institutes be
rowth rate of
can is even
the economic
in West Ger
in still com
ly with fore
other deve

on makes a
ng for infla
it cannot
reflecting the
the economy.
or the third
West Germany
the public sec
per cent of
cent in 1976

In 1975, the
is financing
proportionally
the United
3 per cent.

policy is

Switzerland,

unique discon
red indication

is lower than

responsible of

man Federal

cooperative with

local auth
based special

made by the

and have

00m in stimu

create or at

employment

other measures

the past two

from the Marshall Plan days
or at the disposal of the Gov
ernment-owned development
bank, the Kreditanstalt für
Wiederaufbau, the total of
state intervention to counter
the economic crisis that be
gan at the end of 1973 is
more like DM24,000m multi
plied by three.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

A change in demographic
patterns has played a part
in upsetting these calculations.
Although in the long term
Germany's population is
expected to decline, about
85 million by 1990 from
about 82 million in 1970.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

crumbled. The best that
can be expected is that it
will slip slightly below the
million mark.

monthes government hopes
shorter unemployment might
fall to an average of
350,000 this year have

that was held back by an
parallel increase in produc
tivity. For many companies
the recession came as a
heaven-sent opportunity to
cut back excess labour hired
in the boom years of the late
1960s and early 1970s. The
subsequent revival in econ
omic activity has been ins
ufficient to persuade them
to reverse this policy.

The prime reason for this
resistance to hire is that
German labour has become
very expensive in compari
son with other industrial
countries.

There partly to the rise in
the value of the mark on
foreign exchange markets
since 1973 and the success
of the German trade unions
in securing real wage in
creases for their members
throughout the recession, Germany now has the highest
labour costs of all the major
industrialised countries.

Trade unions, after all,
negotiate on behalf of their
members who are employed.
German unit labour costs
now exceed those in the United
States, and are about
double those of Japanese
and British competitors. Yet
every third job in Germany
depends on exports.

For a long time it was a
matter of wonder that the rise
in the value of the mark had
no effect on Germany's export
performance. Now the
effects are showing, but in
an indirect fashion. Most
German industrial investment
is going towards
rationalisation or labour
saving devices.

Only advanced technology
products with a high added
value and demanding skill
have a secure future. In
increasingly, it is uneconomic
to produce simple technology,
labour-intensive goods.
Only now is it stepping up
investments in car production
and these will not reach a
peak for another year at
least.

Another example has been
the appearance of German
corporations as investors in

to reach a decision the chair
man has a second vote.

The members of the board
are genuine, parity codeter
mination, with the by the supervisory board
of the Government. It heralds a new era in the
relationship between capital
and labour, based on co
operation and shared respons
ability.

Firms employing up to
10,000 people will have
supervisory boards of 12
members, six from each side;
those with a labour force
of between 10,000 and
20,000 16 members; and
firms employing more than
20,000 will have 20 members
on the supervisory boards. The trade unions repre
sented in the firms are entitled
to two seats on boards with
12 or 16 members and three
seats on boards with 20 mem
bers.

The trade union directors
do not have to be employed
by the firm concerned, and
will most likely be union
leaders or senior officials.
The other members of the
board on the employees' side
must come from the firm
and must include at least one
worker, a member of the
salaried staff and a senior
executive.

The inclusion of a senior
executive of the company was
made on the insistence of the
Free Democratic Party, and
is heartily disliked by the
trade unions. There are other
safeguards against workers'
control. The chairman of the
supervisory board and his
deputy are elected by the
supervisory board with a two-thirds
majority. If this majority is not
reached the shareholders' repre
sentatives elect the chairman
and the workers' directors
choose their deputy. Further,
if there is deadlock in trying

to reach a decision the chair
man has a second vote.

The members of the board
are genuine, parity codeter
mination, with the by the supervisory board
of the Government. It heralds a new era in the
relationship between capital
and labour, based on co
operation and shared respons
ability.

Firms employing up to
10,000 people will have
supervisory boards of 12
members, six from each side;
those with a labour force
of between 10,000 and
20,000 16 members; and
firms employing more than
20,000 will have 20 members
on the supervisory boards. The trade unions repre
sented in the firms are entitled
to two seats on boards with
12 or 16 members and three
seats on boards with 20 mem
bers.

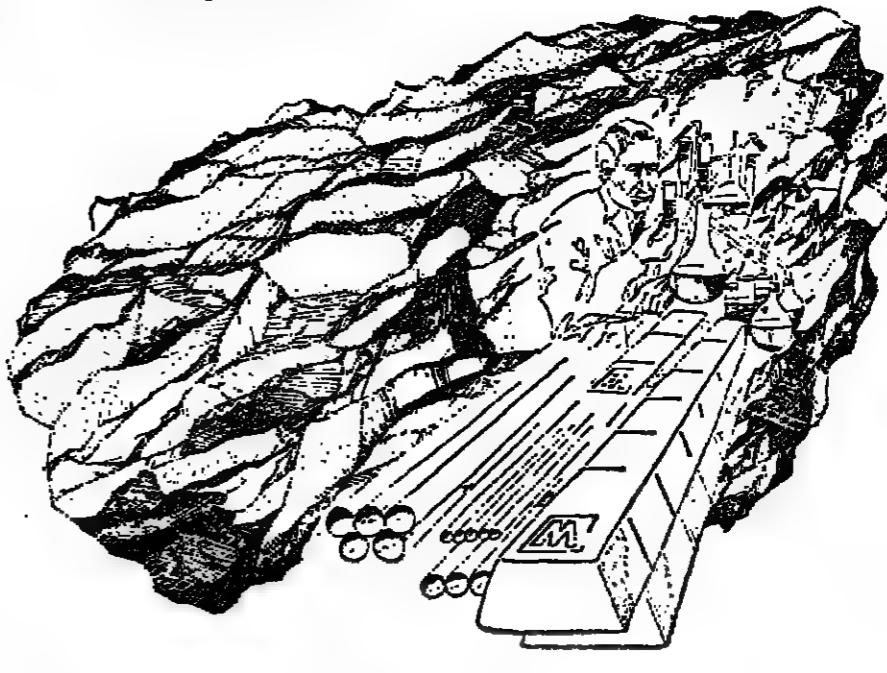
The trade union directors
do not have to be employed
by the firm concerned, and
will most likely be union
leaders or senior officials.
The other members of the
board on the employees' side
must come from the firm
and must include at least one
worker, a member of the
salaried staff and a senior
executive.

The inclusion of a senior
executive of the company was
made on the insistence of the
Free Democratic Party, and
is heartily disliked by the
trade unions. There are other
safeguards against workers'
control. The chairman of the
supervisory board and his
deputy are elected by the
supervisory board with a two-thirds
majority. If this majority is not
reached the shareholders' repre
sentatives elect the chairman
and the workers' directors
choose their deputy. Further,
if there is deadlock in trying

to reach a decision the chair
man has a second vote.

The members of the board
are genuine, parity codeter
mination, with the by the supervisory board
of the Government. It heralds a new era in the
relationship between capital
and labour, based on co
operation and shared respons
ability.

We can't create Raw Materials -



but we do know
how to find, refine, process
and trade them.

We know because we at

Metallgesellschaft have already
spent the better part of 100 years
in metals - prospecting, planning,
financing, mining, transporting,
refining and marketing. Some
28,000 employees worldwide

have built a formidable reserve
of experience and capability,

helping to minimise the risks,
and maximise the opportunities
inherent in the great and continuing
adventure in metals.

There is no parallel in

West Germany to the daily

commuting by office workers

CHEMICALS

Two troubles mar generally healthy picture of crucial industry

by Roger Hardman

might now start restricting growth of West German chemical exports.

In terms of pay and fringe benefits, West German chemical employees are the best treated in the world. The chemical industry is of crucial importance to the West German economy. Over the past 10 years it has grown at over twice the rate of the gross domestic product of West Germany generally, and half as fast again as the times of recession, led the United Kingdom chemical industry. Profits for the BASF and Bayer, combined companies concerned are world sales more than good, output per employee DM 50,000) to carry a high, labour disputes are great deal more surplus labour than perhaps they should have done.

In 1975 the average worker-hour in the West German industry is finding that the nation's economic success over the past 20 years is now bringing some complications in its wake. The complications are made all the more per-

sonally look after their workforce more carefully than companies by the fibres problem. It is the only company to have followed, belatedly, the American example and try plant closures as a means of solving overcapacity. Yet its one attempt at closure, in April, created a political uproar.

Hoechst wanted to shut down part of its plant in Berlin, where two-thirds of the workforce was producing only 40 per cent of the output. In true German style it offered all German workers at other Hoechst plants elsewhere in Germany and later even extended this offer to the Turkish guest workers.

Given a fair exchange rate and stable currencies, there is nothing wrong with the German approach. But with the Deutsche mark now up to 25 to the dollar the German industry has found its export prices in Deutsche mark terms to be actually falling, despite price increases in Deutsche mark terms. Officials in the leading companies are claiming that price resistance overseas is starting to cost them business. While the latest pronouncements have undoubtedly been coloured by the imminence of some exceptionally delicate wage negotiations (which may result in a strike at BASF Ludwigshafen and other Rhine-Palatinate plants), there is certainly a lot of truth in this.

Even so, the Government was deeply upset and a bitter dispute flared in the German newspapers between Herr Rolf Sammer, the Hoechst chairman, and members of the administration. It is possible to argue that Berlin is an exceptional case. Economically it is stilling. Every job that moves from the city into the main part of West Germany reduces the logic of the area as an economically and politically viable unit. Yet in almost every major chemical manufacturing centre there unemployment would create serious local problems. At Ludwigshafen, for instance, BASF employs 50,000 people in a plant three and a half miles long by one and a quarter miles wide, that is served by no fewer than three railway stations. The Hoechst plant near Frankfurt almost wraps itself around the town of Höchst.

Its protective attitude towards its workforce has had a considerable bearing upon the high price of its chemical exports in world markets. For with the provision of new jobs having been of primary concern, the industry has tended to build new plant in Germany rather than overseas, and rely on direct exports for its dominance of world markets. Almost 40 per cent of the industry's output is exported, as against 24 per cent of the United Kingdom industry's output. This discrepancy is not because the United Kingdom is lagging

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

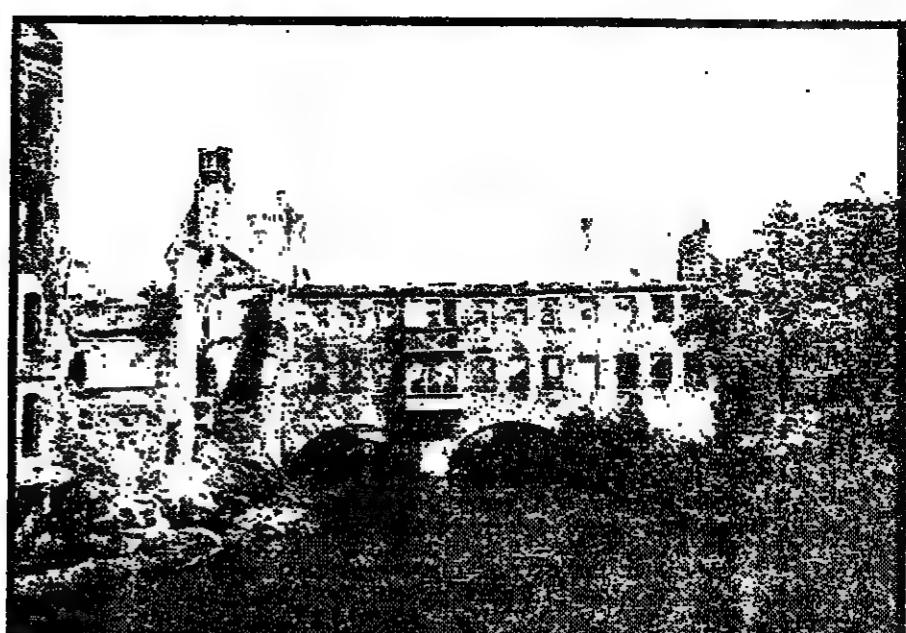
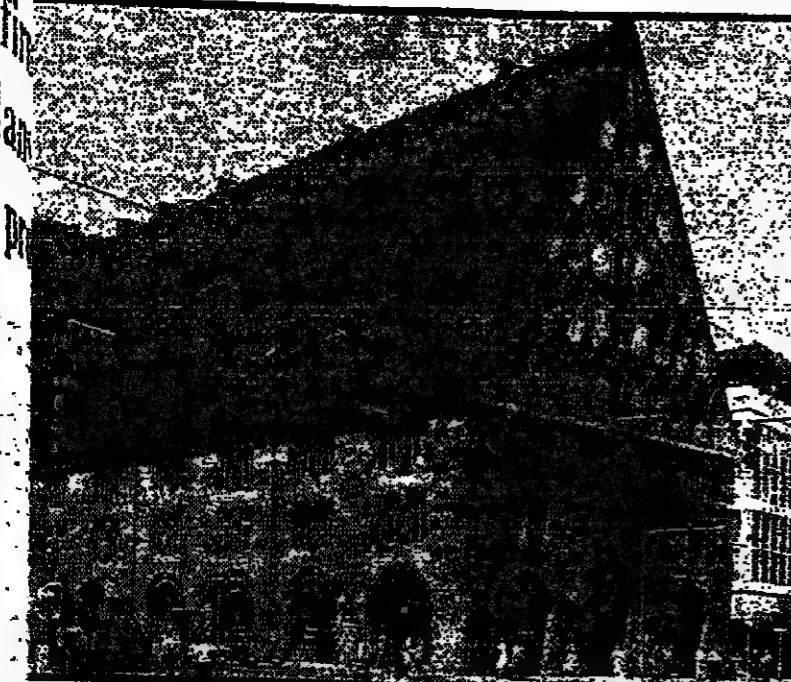
in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is

in common with the rest of West German industry, is



war rebuilding of Nuremberg, now almost complete, is one of Europe's most outstanding conservation programmes. Three well-known buildings, shown before and after restoration, Mauthalle, a former granary transformed into shops and a restaurant, the old town hall (centre) and the Holy Ghost Hospital (right).

New quality of life built on city's ruins

By Weston

In 1945, the old of Nuremberg of the city with streets, half houses, and less than 10 per cent a massive bomb-damaged years new flowering of ruins that claims to be the five engines of the terrestrial

Trade links Dresden, and Poland, were cut off by its presence, the destruction seemed total. Under the years 12 million of stone and deposited out and are now slopes.

Recent times has been to assess construction has quality of life in Nuremberg. In spite of pressures both economic promise for the economic gain, a greater interest in the in which the could come to modern living.

was narrowed

spaces of the old

narrow streets;

original char-

high-rise

Frankfurt; or

acceptable path

two.

plan would

of the man-

o take account

traffic conditions,

try to restoring

important buildings

castle, the walls

and would try

medieval flavour

was left.

opted for total

while a group

was prepared

for all else. Con-

ceded in the adop-

choice, and

which began in

almost complete,

DM7,000m. con-

struction plan

to be one of the

best pieces of

work in

perhaps because

test period,

is been greatly

outside Ger-

Andreas Ursch-

Lord Mayor of

for the past 20

years over this

it is the city's

chief architect,

Walter Gehr, who

control of the

prevention only

was associated

hanged execution

before that.

says that retain-

the medieval

spends on limit-

tic to certain

certain areas. A

new roads speeds

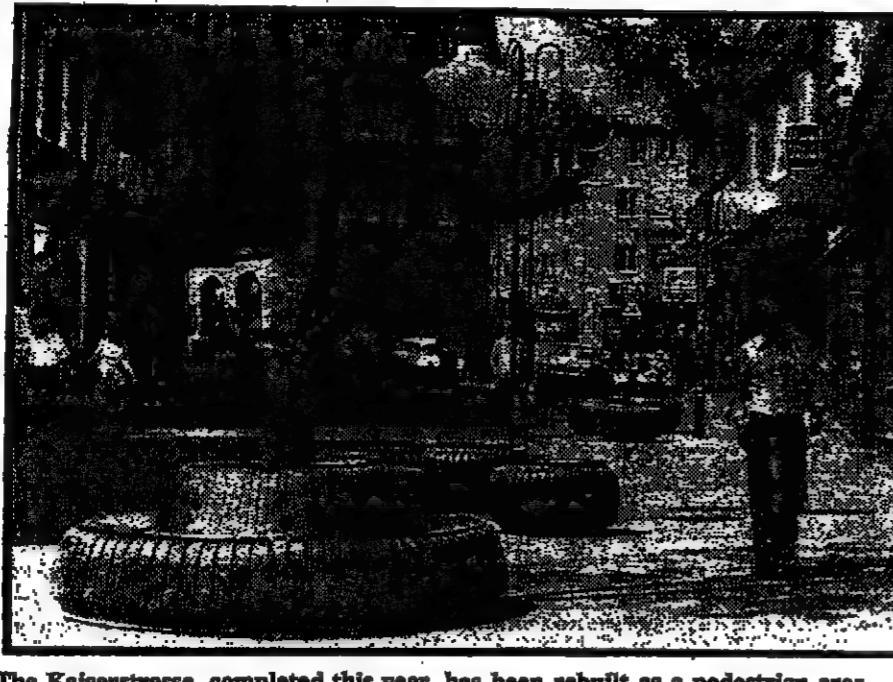
with the German

system, and the

of the Rhine-

canal, which

to over-simplifying reconstruc-



The Kaiserstrasse, completed this year, has been rebuilt as a pedestrian area.

will connect the North Sea and buildings has resulted in monotonous rows of windows and rooftops that are too long and unbroken in spite of their traditional Franconian pitch.

This does not mean that the old city is to become a museum. On the contrary it has become a communications centre with 3,000 shops, administration, housing and leisure activities.

In 1967 work was begun on an underground railway and the first line, from the new town of Langwasser on the outskirts, was opened in the old city. As the line had to curve under the old city, other public transport will be phased out and pedestrian ways will continue to extend their long fingers from north to south and east to west on a scale that is already the envy of many other European cities.

Panoramic efforts have been made to slot pockets of greenery among the red sandstone walls, which it enhances. Many of the planting areas are alongside the river Pegnitz, which bisects the old city and north and southern ends.

The rebuilding of the old Kaiserstrasse as a pedestrian precinct completed this year, is a source of great pride. This wide, gently sloping and curving avenue, lined with expensive shops, is now the most sought after residential area. Young and mature trees, variations in lighting fittings, restrained shop signs and an unusually high standard of design are important aspects of this development.

The castle stands at the highest point, against the northern wall, and the area below it has been singled out for special treatment with an accent on culture. Studios for artists and housing for students are intended to complement the antique dealers in the streets close to the house once occupied by Hitler, whose prints were present-day use.

Walter Gehr believes it is wrong to adopt a restoration programme that incorporates all the original facets and the changes that have taken place over the years. He prefers to interpret the original architecture by Dürer, whose prints were sometimes the only surviving documentation on buildings destroyed in the war.



A strong force in international banking - and still growing.

WestLB records another successful year in 1976, international growth continues to gain momentum.

Consistent with its customer-oriented, long-term concept, WestLB further extended its international base and substantially strengthened its market position during 1976.

A full-service branch was established in Tokyo

complementing successful operations in London, New York and Luxembourg.

Representative offices were opened in Rio de Janeiro and Hong Kong - both financial centers in rapidly expanding market areas.

In syndicated Euroloans WestLB was able to enhance its established position. It managed and co-managed 69 loans with a total of DM 15.8 billion or US \$ 8 billion.

At the same time, the Bank lured up to its re-

putable as a leading issuing house in the Eurobond market. During 1976, WestLB managed or co-

managed an impressive 91 DM-issue, out of a total

of 62 floated. In addition, it was in the manage-

ment of six private placements out of 26. In other

Eurocurrency issues the Bank was in 54 manage-

ment groups and participated as underwriter in a

total of 163 issues.

International commercial banking activities

increased substantially in tune with an upturn in

foreign trade by German customers. Needs for cur-

rency hedging by exporters and importers

stimulated the Bank's foreign exchange transactions.

Financial highlights of 1976 were the steady

growth reflected in the consolidated Balance

Sheet Total, up 7.4% to DM 72.9 billion and the in-

crease in the Total Group Business Volume which

reached 101.6 billion.

The Bank's capital funds were raised by

DM 180 million up to DM 1.9 billion. The year's sur-

plus was DM 296 million before tax, and DM 133

million after tax.

Main domestic developments were a 21.4%

increase in short-term (up to 4 years) customer

deposits and an impressive rise in export credits of

56%, as a result of the Bank's ability - due to

favorable interest trends - to lend long-term at

rates for large projects abroad.

WestLB's capital funds were raised by

DM 180 million up to DM 1.9 billion. The year's sur-

plus was DM 296 million before tax, and DM 133

million after tax.

WestLB's a founding member in Orion Group

and in Libra Bank.

1977 has brought a further increase in

demand for WestLB's high quality financial services,

both at home and abroad.

For a copy of the 1976 Annual Report

please write to:

Westdeutsche Landesbank Girozentrale

Düsseldorf Münster

Friedrichstraße 58, 4000 Düsseldorf

WestLB

Westdeutsche Landesbank Girozentrale
a growing force in international banking

Düsseldorf, P.O. Box 122

London Branch: 21 Austin Friars, London EC2N 2HB, Telephone 01-6386141, Telex 887984

Organization of the Sparkassen, Landesbanken/Girozentralen in the Federal Republic of Germany



Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The business of a savings bank is directed by its managing board. Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e.g. savings banks are not allowed to acquire securities out of their own funds.

The savings banks offer all services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: the acceptance of all types of deposits, credit business of all kinds, encouragement of the acquisition of personal property, settlement of cashless payment transactions and all other types of banking services, e.g. transfers to payees in Germany and abroad, collection of debts, bills and receipts, execution of cheque transactions and issue of cheque cards, purchase and sale of foreign currency and travellers' payment media caring for the need of customers in the field of foreign trade transactions.

At the end of 1976 there existed in Western Germany 650 savings banks head offices with more than 16,000 branches.

Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are, among other things, to represent the common interests of the savings banks; to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association). It is the central representative of savings banks interests and corresponds to the savings banks associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the co-ordination of the savings banks and Landesbanken/Girozentralen, which are also its members.

Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. The business is directed by a managing board and the general management is supervised by the board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen transact all customary banking business, e.g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds in addition to security and stock exchange dealings. The services provided by the Landesbanken and Girozentralen include

foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilized by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawee, Deutsche Girozentralen-Deutsche Komunalbank, Berlin and Frankfurt am Main.

Building Societies

Along with the savings banks and the Landesbanken/Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specialized in housing finance. Contractual savings with these building societies form their own capital which benefits in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

Deposits and basic Capital Resources

In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest Group among the credit institutions operating under public law is that of the savings banks (Sparkassen) and of the Landesbanken/Girozentralen. Every single deposit in these institutions is fully backed by a public guarantee. The guarantor for the savings banks is the respective local administration. The deposits of the Landesbanken/Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The sources upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantors, i.e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic. While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken/Girozentralen and of the savings banks are modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantee provided by the cities, communities and states have a net worth function which cover the liabilities of the Landesbanken/Girozentralen and savings banks.

DEUTSCHER
SPARKASSEN- UND GIROVERBAND
4-18, Simrockstrasse
D-5300 BONN/GERMANY

BERLIN-ORANGERIE 1030 A.M.

Otto Dix »Großstadt«

“Tendencies of the Twenties”

From 14th August to 16th October 1977 Berlin presents a cultural event of dimensions and quality which have not been seen there for decades: The 15th European Art Exhibition, under the auspices of the Council of Europe and organized by the Government of the Federal Republic of Germany and the Berlin Senate, “Tendencies of the Twenties.” All of Berlin's cultural institutes, museums, theatres, universities, and the Berlin Festival itself, will combine to give a comprehensive picture of this extraordinary epoch, the intellec-

tual and political effects of which reach into our time, and in which Berlin occupied a central place.

This Berlin event is also an international event and the Press and Information Office of Land Berlin, Rathaus Schöneberg, D1000 Berlin 62, will be pleased to send you information about the Exhibition programme, the ballets, operas, concerts and plays.

visit Berlin

Gradually the green acres disappear

by Hugh Clayton

Similarities between the economies of West Germany and the United Kingdom encourage the belief that their agricultural structures resemble each other. The countries have high populations in terms of numbers and density. In the EEC food balance they are the most important importers of food and least significant exporters.

Yet the country has one of the most highly fragmented farming structures in the EEC. Certainly a lower proportion of the people work on the land in West Germany than in France, the country which, at least in British eyes, is the stronghold of the fiercely independent family farmer with minute holdings.

A third of EEC farms of less than 10 hectares (27 acres) are in West Germany, however.

It is often not appreciated in Britain that despite the size, power and success of German manufacturing industry, its agriculture is more of a family affair than that of the United Kingdom. Successive green belts have brought growing order to a patchwork of small German holdings which are often broken into scattered quarters.

The custom in parts of Germany has been for holdings to be split on the death of a farmer among his offspring instead of being passed intact to the eldest. Even today more than three quarters of those who are classed officially as working

farmers population of West Germany has been cut by half and yields have risen sharply as they have in neighbouring countries. The Federal Republic is now the leading producer of pigs and potatoes in the EEC, and also wage-earners. The Government recognises, however, that many who work the land know no other life.

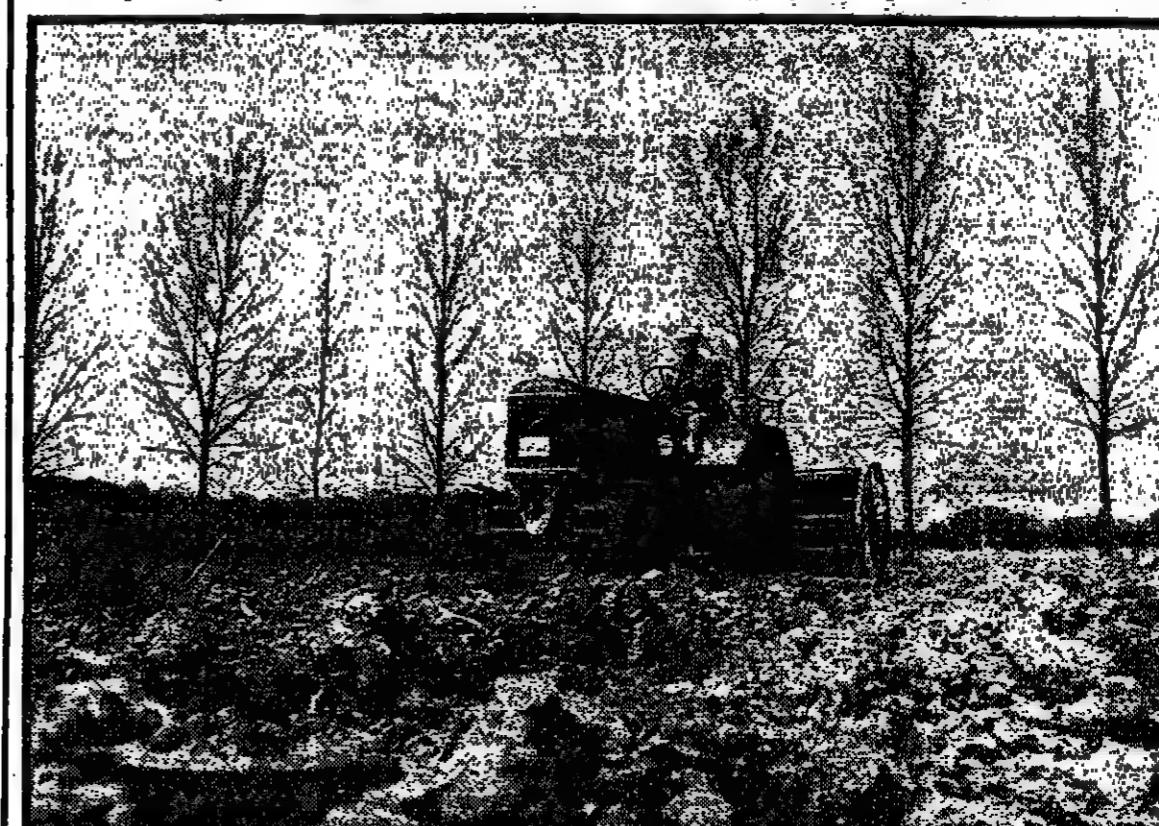
West German agriculture has grown much more capital-intensive in the past 25 years and yields have been raised with the help of genetic research and greater technical efficiency. Exceptionally high cereal yields achieved in the past three years have set an example to the rest of Europe.

The output of the national pig herd has doubled since the early 1950s while the labour force on the land has fallen steadily. The German has recognised the danger to the rural community. Its rationalisation programmes have always included careful provision to provide alternative employment to those who leave the land.

Italy remains the principal foreign customer. West German farmers enormous purchases meat and livestock account for more than half of its agricultural output from the Federal Republic.

Since Britain and Ireland joined the EEC in 1973 they have become important buyers of German food. Sales to Germany last year were more than twice to America, the United Kingdom and France after Italy in the League table with Britain in fourth place, ahead of Germany, with France even though it buys German food in value last year than in 1971.

The author is Agriculture Correspondent, The Times



A third of EEC farms of less than 27 acres are in West Germany. Little more than half the farmed and a quarter is down to forest.

Healthy two years for 'money supermarkets'

by Peter Norman

If the West German economy had performed as well over the past two and a half years as the country's main financial markets and institutions, there would be little cause for despondency today in Frankfurt or Bonn.

The German Government's

plan for overcoming recession and consolidating economic recovery has depended to a large extent on deficit spending.

Although the strategy may not have been a full success in restoring full employment,

the authorities, in cooperation with the banking system,

have proved capable of

financing public sector deficits through periods of temporary difficulty.

It is perhaps significant that, in the past 30 months, there have been fewer spectacular bankruptcies than big corporate rescues where the banks have picked up the bill.

At a time of high un-

employment a strong bank-

ing system can be a positive

advantage. Since the onset

of the recession, the banks

have tided over an unprece-

nted number of fundamentally

sound German companies

through periods of tem-

porary difficulty.

It is perhaps significant that, in the

past 30 months, there have been

fewer spectacular

bankruptcies than big cor-

porate rescues where the

banks have picked up the

bill.

Last year's takeover of

Neckermann, the ailing West

German mail order and de-

partment store group, by the

branch leader, Karstadt,

would have been impossible

if Neckermann's banks had

not been prepared to write

off claims totalling DM180m

against the company. It is

also doubtful whether Kar-

stadt would have taken on

the task had not the

Deutsche Bank and the Com-

merzbank each held more

than a quarter of the com-

pany's capital. The takeover

saved 20,000 jobs in the

Neckermann group and an

estimated 10,000 among its

suppliers.

At present West German

finances appear to be in an

extremely healthy condition.

Only in Switzerland are

interest rates lower, but in

contrast to Switzerland, Ger-

man banking has not been

burdened by a revival of in-

vestor confidence.

German banks are

past few months. The fundamental anomaly that exists in the monetary policy between the Government in Bonn, the Federal Bank in Frankfurt and the country's banks—also the absence of any prospect of economic boom—suggests that there will be no foreseeable change.

The Germans continued to be prodigious savers. Although the savings rate declined slightly from the record 16 per cent of 1975, West Germany's private households still managed to put away 14.5 per cent of their disposable income in various forms of saving last year, contributing to a capital surplus of DM106,000m.

About a quarter of this amount was channeled into housing-related savings. But most of the rest went either on direct purchases of fixed interest securities, and therefore mainly towards financing the public sector deficits, or through bank savings towards meeting the financial requirements of the state, industry and commerce.

The fall in interest rates also persuaded at least a part of the German public to borrow money. According to the Federal Bank, borrowing by private individuals doubled last year to about DM19,000m.

This unexpected demand for credit pleased the banks, as it helped to offset the lack of demand from their traditional industrial clientele. The main beneficiary was the car industry, as spending patterns proved once again that the automobile is by far the favourite toy of the Germans.

The banks interpreted the sudden upsurge in demand for consumer credit as one more justification of their universal character. Unlike banks in Anglo-Saxon countries, banks in Germany

carry out all forms of banking under one roof, simultaneously the investment bank, the simple banking institution, the man wishing to buy stocks and shares automatically through the bank, which is also a significant in its own right on the stock markets.

There has also been a strengthening of German banking since the disturbing 1974 when the Herstatt collapse, a short time cast the soundness of the country's banking structure.

Customer confidence quickly restored the improved system of protection introduced in the Herstatt. Although one or two banks have gone out in the past two years, depositors have a single mark.

In turn, bankers have improved years of healthy growth and high profit banking year after Second World War, and, although earnings last year, they were not satisfactory.

However, the German strong growth last year led into genuine recovery, as the recovery has left. For the past 12 months bankers have been in vain for the corporate borrowing would imply an unwillingness on the part of business to do business.

Similarly, the share markets have been disappointing. Last year was expected to be a very good year for equities. Instead, out to be a record year.

German banks have been expected to be a very good year for equities. Instead, out to be a record year.

adually the
green
disappear

Treaties stalled over status of West Berlin

an der Vat

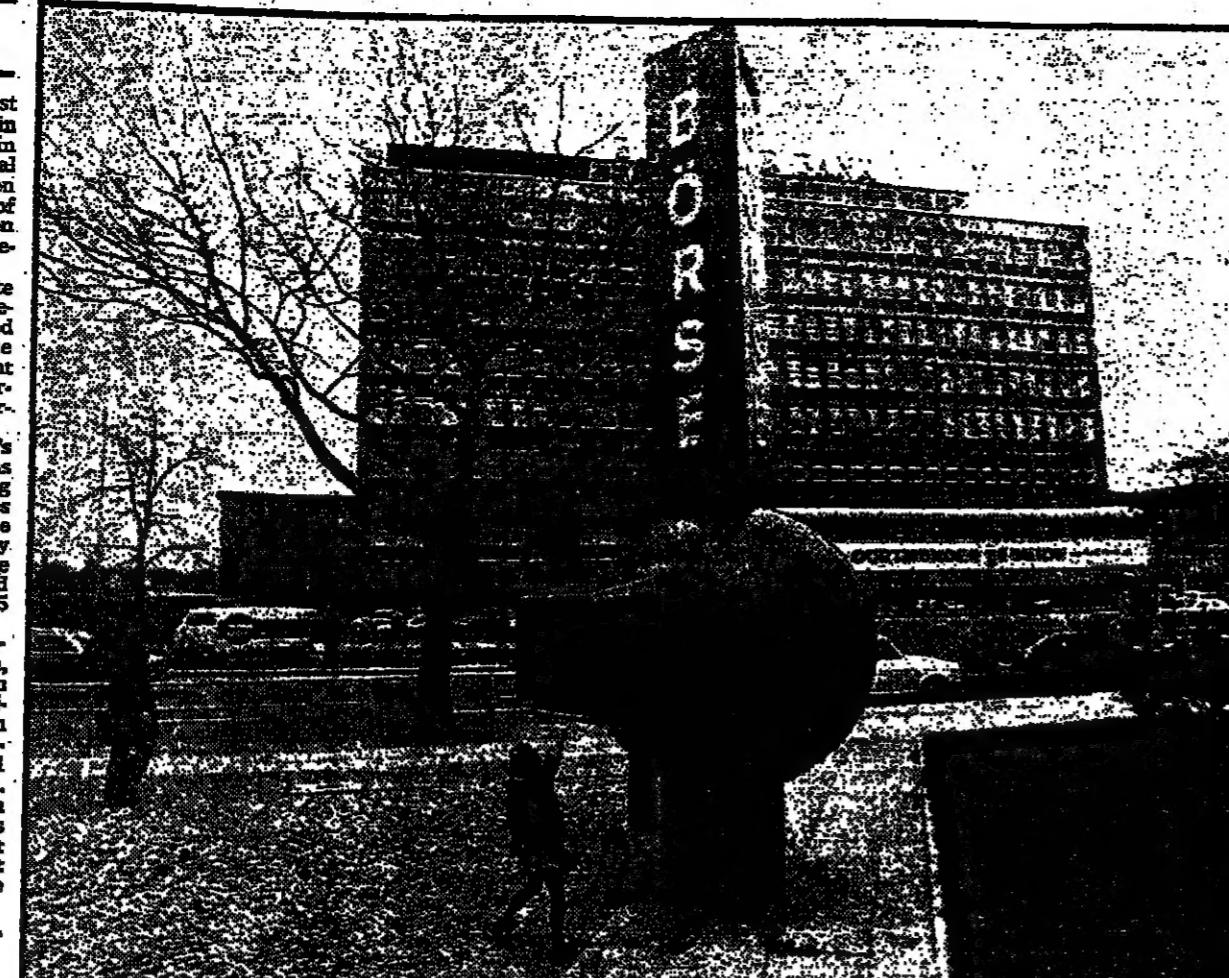
between West Berlin and West Berlin was once again a principal question between West Berlin because of a interpretation of the agreement on the agreement.

twice complete operation against Bonn and stalled because a do not want to West Berlin as West Germany.

with Moscow's East Germans busy abolishing the distinctions between Berlin and the East Germany emphasize the the walled West Berlin 95

the same concentrated campaign, a have vociferated the claim a-power agreement of 1971 to West Berlin, sites between member states said that West part of West and cannot be

enth state
f the
public



This television screen is provided by the Stock Exchange in the heart of West Berlin's banking area for passers-by to check their share prices.

in is de jure
ly, under the
of the military
of the United
in and France
any rate, it is
a economically
state of the
flic.

western moves
ading war of
divided Berlin
in an unexpected
robustly robust
in the West,
one of the
s and France,
Prime Minister

German Chan-
a joint declara-
9 rejecting any
attempt to aber-
atus of Berlin
tigated Herr
be, the newly

The ensuing altercation

between Herr Schmidt, the elected governing Burgomaster of West Berlin. For West German Chancellor, this man of 39 who has just and Herr. Hommer, has taken over one of the most frustrating and delicate political posts in the world, the joint declaration was unequivocal enough, with its sturdy language, to outbid Soviet intrusiveness. It thus marked a new departure.

"The important change is that the West has acted and the East is having to react. The East Germans have already responded, but so far not the Russians. This is very good for West Berlin," he said.

Allied sources in the city expected a Soviet reaction to the declaration soon. The very fact that the Russians were taking so long over it was a sign that it had taken them by surprise, they believed.

The governing Burgomaster sees the latest moves as both the new position makes

towards isolating West Berlin as the conclusion of a 30-year campaign. The decision has existed for a generation.

East German party leader, has hardly involved Herr Stobbe at all, which pleases him.

"This shows how important the Federal Republic is as a bastion of West Berlin. It is much better for us this way than when a government Burgomaster, has a row with East Germany and Bonn says nothing."

The exchanges over the declaration between West and East German leaders had done much to dispel the recurring misgivings among West Berliners that Bonn was not doing enough to stand up for them, Herr Stobbe does not regard this as a coincidence. Nor does he believe that Bonn's annual subsidy is now more than DM1700m (£1,750m) a year.

So far, this is quite normal. The federal budget accounts for just under half of all public expenditure in West Germany as a whole, the rest coming from the states and the municipalities.

For the special position of West Berlin requires further direct payments to the city by Bonn of another DM3,500m for such purposes as financing the presence of the three Western allies subsidizing social security and supporting war invalids.

towards isolating West Berlin as the conclusion of a 30-year campaign. The decision has existed for a generation.

East German party leader, has hardly involved Herr Stobbe at all, which pleases him.

"This shows how important the Federal Republic is as a bastion of West Berlin. It is much better for us this way than when a government Burgomaster, has a row with East Germany and Bonn says nothing."

The exchanges over the declaration between West and East German leaders had done much to dispel the recurring misgivings among West Berliners that Bonn was not doing enough to stand up for them, Herr Stobbe does not regard this as a coincidence. Nor does he believe that Bonn's annual subsidy is now more than DM1700m (£1,750m) a year.

So far, this is quite normal. The federal budget accounts for just under half of all public expenditure in West Germany as a whole, the rest coming from the states and the municipalities.

For the special position of West Berlin requires further direct payments to the city by Bonn of another DM3,500m for such purposes as financing the presence of the three Western allies subsidizing social security and supporting war invalids.

Not unimpressive
return
on investment

This means that West Germany, in round figures, invests about 1 per cent of its gross national product in West Berlin each year, and that for every mark the city puts into its own coffers, West Germany must put up between DM1.50 and DM1.50.

The return on this investment is not unimpressive, however. West Berlin contributes about 3.8 per cent of annual gnp, which at least matches the average performance of West Germany's 10 states.

In addition to its financial engagement, West Germany also seeks to develop all manner of political, cultural and social links with West Berlin, as the four-power agreement permits it to do. The private sector is encouraged to act likewise.

Bonn and West Berlin also offer considerable incentives, such as tax advantages and settlement grants, to encourage both companies and private individuals to move to West Berlin. The world recession has slowed but by no means halted the response.

Apart from the office of the federal Government's plenipotentiary in West Berlin, the links between Bonn and the beleaguered city range from the new federal environment protection office to the Max-Planck Institute for molecular genetics, and 28,000 federal civil servants are stationed in West Berlin.

Despite the four-power agreement, the Russians and their allies dislike the expansion of links between Bonn and West Berlin and protest frequently. As a result, the plan to base a German national foundation in the city has been quietly shelved.

But, although the Bundestag may not meet in West Berlin, its committees can, and often do. The federal Government and the West German political parties do all they can to bring West Berlin as far as possible into the mainstream of federal life.

The link between West Germany and West Berlin is a very special relationship indeed, vulnerable but precious to all free Germans.



ADVERTISEMENT FOR A BANK WITH THE RIGHT ADDRESSES IN THE EUROMARKET

The bank DG BANK Deutsche Genossenschaftsbank with headquarters in Frankfurt am Main, the central bank and liquidity manager for ten regional banks and more than 5,000 local "Volkssparken" and "Raiffeisenbanken" with 19,500 offices throughout the Federal Republic. One of its addresses in the Euromarket: 2, Throgmorton Avenue, London, EC2. In the heart of the City, the DG BANK is represented by LCB London & Continental Bankers Ltd., in which we are the major shareholder. In another

Euromarket center, Zurich, our address is BSG Bank Europäischer Genossenschaftsbanken, and in Luxembourg we are affiliated with BIF-BANK-DG International.

Beyond the Euromarket, the DG BANK serves the clients of its group through a branch in New York and a representative office for the East Asian, Southeast Asian, and Australasian regions in Hong Kong.

The DG BANK engages in all fields of international banking, from export and import finan-

cing to the management of loan syndicates, private placements and bond issues. With consolidated total assets in excess of DM 35,000 million, we are one of West Germany's big banks. Our group's assets add up to more than DM 250,000 million - a lot of money in any currency.

DG BANK Deutsche Genossenschaftsbank, P.O. Box 2628, Tannenstr. 3, D-6000 Frankfurt am Main, West Germany.

DG BANK
Deutsche Genossenschaftsbank
THE BROADLY BASED BANK



**“We soon reached
agreement with the
appropriate authorities.
In doing so, we discovered
in the Ministry of the Economy
and Foreign Trade of the City of
Bremen an authority
that works with less red tape
and more speed than almost
any we have ever come
across before.”**

Dr. rer. pol. Walter Schmidt,
Spokesman of the Board of Management
of the Kölisch-Fößer Werke AG, Siegen,
at the topping-out ceremony for their
new branch works in Bremerhaven.

The opinion of a management spokesman who had spent years looking for the ideal site for his business.

He found it in Bremerhaven. Kölisch-Fößer required direct access to shipping waters, room for later expansion and a pool of highly-qualified technical labour. These and more are offered by Bremen and Bremerhaven.

Both are ideal sites for your enterprise. For main works and branch plants in heavy and light industry, for crafts, trade and administration offices, Bremen is the Federal 'Land' where the ways are short, the decisions are quick and the opportunities are big.

THE COLOURED
BROCHURE
tells you where and
how in Bremen
and Bremerhaven.
Just ask for one -
with this coupon.

Name: _____

Company: _____

Street No.: _____

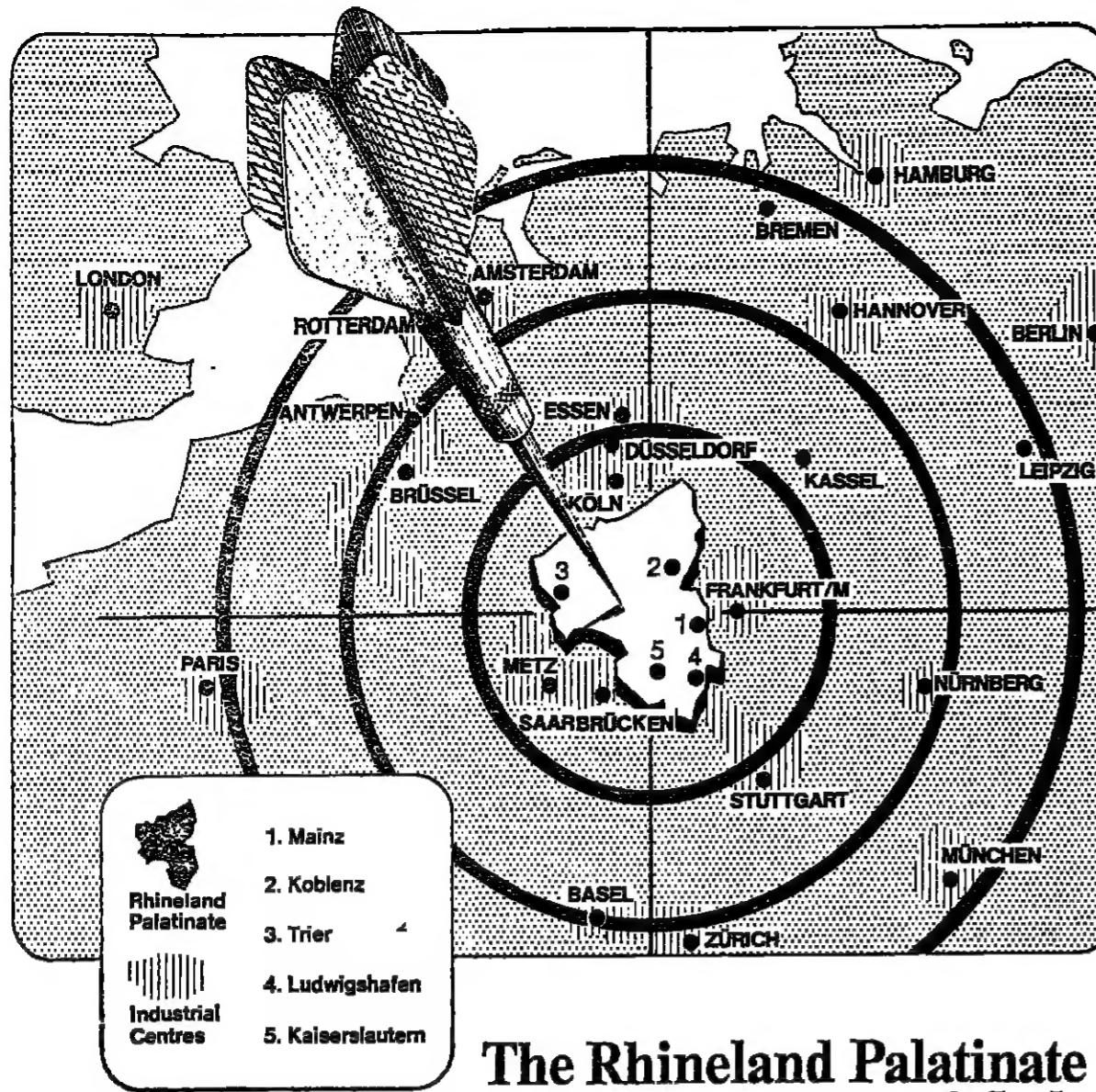
Postcode/Town: _____

Der Senator für Wirtschaft und Außen-
handel der Freien Hansestadt Bremen,
Bahnholzplatz 29 (Höf-Hochhaus),
2800 Bremen 1, Telefon 0421/3612554,
Telex 0244804 Senat.B

Bremen  **Bremerhaven**
The right place for your business.

YOUR COMPANY HAS A FUTURE IN THE RHINELAND PALATINATE

ATTRACTIVE INDUSTRIAL SITES, owned by the local authority and most attractively priced. Factory sites tailored to meet required sizes. Location at the hub of a superb communications network into the Common Market.



The Rhineland Palatinate hub of the Common Market

Full information about financing, available subsidies and all other necessary details can be obtained free and without obligation from:
Rheinland-Pfälzische Gesellschaft für Wirtschaftsförderung mbH,
Schillerplatz 7, 6500 Mainz, Tel.: (06131) 27358

The world of decision-takers, wave-makers, opinion-shapers; leaders of thought in the universities, politics, industry, finance; committed observers of the social scene, writers, artists, the interested, and interesting: **DIE WELT** is the world to them.

690,000 people read this German quality newspaper for a daily insight into their particular world. If you're interested in their world, remember **Die Welt's**

Götterdämmerung leadership.

For more details, or a presentation, ring Kristian Wentzel on 01-493 9954.

Die Welt—a newspaper of the Axel Springer Publishing Group.

Social services face a financial crisis

by Peter Norman

West Germany used to be justifiably proud of its social security system, which provides the citizen with security against ill health from cradle to grave.

Generous benefits ensure that unemployment no longer means individual financial catastrophe or social stigma. Most West Germans can look forward to a comfortable old age immune from the threat of inflation.

As the recession took hold, politicians would point to the absence of social unrest as proof of the value of Germany's social safety net.

But recently the Minister for Labour and Social Affairs put anxiety about the future of Germany's social security system at the top of a list of worries besetting the nation's population.

The old age pension system and the health service are in a state of financial crisis. There are limits to affluence, even in West Germany.

Government attempts to tackle the crisis have brought protests by both "consumers" and "producers" in the past few months.

Before taking office for the second time last December, Chancellor Schmidt's Government was rocked by a wave of protest and forced to abandon plans to scrap a 10 per cent pension in-

crease due at the beginning of next month.

No sooner had the spectacle of pensioners protesting in the streets been forgotten, than the doctors, Germany's highest income group, struck in parts of North Germany against Government plans to halt a cost explosion in the health service.

Recession and demographic change have combined to undermine the financial base of the pension system. During the general election campaign last year the difficulties were slated over. It later emerged that Germany's pension funds were threatened with a deficit of about DM80,000m by the end of this decade.

German pensions are generous, but expensive. Contributions are set at 18 per cent of an employee's gross earnings, the burden being shared equally with the employer.

In return, the pensioner has a very respectable income. For example, the average pension for a retired male manual worker in 1975 amounted to DM832 a month (or just under £200 at present exchange rates).

Pensions also rise, to give the retired a share in the growth of the nation's wealth. Next month's increase of 10 per cent is based on the average wage increases from 1973 to 1975.

This delayed action effect was built into the system deliberately to boost purchasing power in times of recession. In recent years it has created problems as the

Government has tried to consolidate the pension system by deferring the increase due in 1978 until the end of that year; by temporarily using the average net increase in earnings as the yardstick for future pension

high-wage increases of the early 1970s have translated into above average pension increases.

Greater burdens have been added by politicians, who realized that better pensions are a sure way of winning votes.

Over the years the pension funds have had to take over paying pensioners' health service charges in full. In

1972, on the strength of forecasts of a DM197,000m pension fund surplus by 1986, a law was passed enabling people to retire on full pension from the age of 63 and the annual increase was brought forward by six months.

But even in that year, at the height of the 1970s boom, the crisis was building up. Between 1958 and 1972 the number of pensioners grew by 60 per cent while the number of contributors to the pension funds increased by only 16 per cent.

By 1975 there were 52 pensioners for every 100 contributors compared with only 38 in 1964.

On top of this demographic change came the recession. The income of the pension funds fell as unemployment rose and large numbers of *Gastarbeiter* returned home. The cost of addition to the health service.

The Government hopes to consolidate the pension system by deferring the increase due in 1978 until the end of that year; by temporarily using the average net increase in earnings as the yardstick for future pension

rises; by shifting the burden of insurance contributions for the unemployed on to the Federal Labour Office; and by reducing the pension fund payments to the health insurance bodies.

The programme could still be changed in Parliament. It is also based on the questionable assumption that an employment will fall to less than 3 per cent by 1980.

But straightening out the pension funds looks easier than curbing the cost explosion in the health service.

More than 1,500 *Krankenkassen* in Germany collect between 12 and 14 per cent of the employee's gross income to pay for the health service. Like the pension funds the contributions are split equally between employee and employer. But while pension fund contributions have been fairly stable, the contributions to the *Krankenkassen*, which are mutual insurance companies run on a non-profit-making basis, have almost doubled since 1960.

This rise in burdens has reflected a surge in health service costs. Last year Germany's overall health bill amounted to 14 per cent of national income—well over DM100,000m. Since 1960 payments by the *Krankenkassen* on doctors, bills, drugs and hospital expenses have risen to DM68,000m a year from DM9,000m.

The "producers" in the health service, primarily the doctors, drug companies and hospital administrators, may not form a unified block, but they are far more powerful. Over the past few years the Government has had some success in combating salary inflation. Curbing inflated claims imposed on the social services is much more difficult.

Imaginative act of patronage favours the potter

by Geoffrey Weston

The town of Frechen, just outside Cologne, is known above all as the centre of the German stoneware industry in which the Cremer Group is dominant. The group employs about 4,500 people turning out all manner of products from ceramic bathroom equipment and tiles to electrical insulators and drain-pipes, with a turnover of DM400m.

All this in itself would be unremarkable but for the private interests of the chairman, Dr Gottfried Cremer, and his fascination for all things made from clay, the basic raw material of his industry. In 1950 he began to collect the best work by German ceramic artists, or potters.

In Britain the most outstanding artist potters, in spite of the high standard of their work, receive little recognition, and their work is low-priced compared with sculpture or graphic work. In Germany competition among collectors of contemporary ceramics is extremely keen, and prices reflect this difference.

By 1971 Dr Cremer had decided to share his collection with the public with the aim of presenting the work of ceramic artists and, in a wider sense, the cross-fertilization of ideas. To celebrate his sixtieth birthday his company opened a museum, called Keramion, beside one of the factories to house the Cremer collection.

The initial plan, simply to provide exhibition space, grew more ambitious after talks with the Cologne architect Herr Peter Neufert, who conceived a detached building of striking design shaped symbolically like a potter's wheel surmounted by a conical pot.

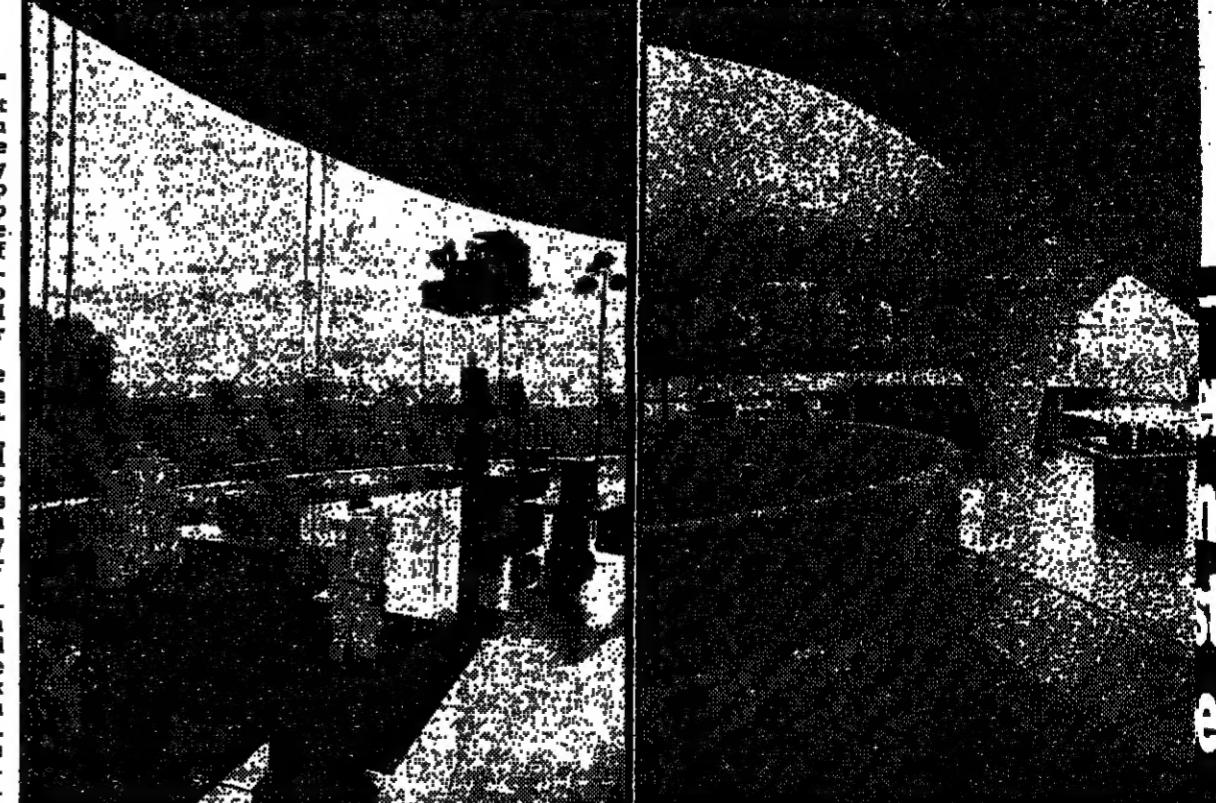
Built largely from reinforced concrete on two floors, one below ground, it has a thin flat roof supported on five legs which taper sharply in graceful curves. The rooftop pot encompasses a skylight, which is echoed in the circular hole in the floor admitting daylight to the basement.

The ground floor is almost entirely surrounded by a curtain glass wall and outside that a moat. White plastic spheres, which appear to float on the surface of the water, contain lights controlled by dimmer switches and the effect at night is dramatic.

The close relationship between the interior and exterior, and between the building and its contents is soon obvious, and the view from within of stockpiles of drainpipes outside the factory underline the relationship of artist and industry.

The floors are covered in large white ceramic tiles, each two metres by 1.5 metres, made by a secret process. The same tiles in a rich red-brown are used to cover a decorative outer wall built at a tangent from one side of the building.

Apart from a few mobiles and wall plaques, the exhibits are housed in simple cabinets or kept on mobile tops supported on drainpipes. Only half of the 3,000 pieces are on show at any one time, and the quality of the work is high, although



Keramion, a museum in Frechen devoted to the work of ceramic artists; top: two views of the interior

buying on this scale inevitably leads to some errors of judgment.

In his enthusiasm Dr Cremer is said sometimes to offer to buy the whole of a favourite potter's kiln before it has had a chance to see the results of the firing.

Research and development for new uses and new types of ceramics for industrial use are mirrored by the artist's experiments with temperatures, clays, and glazes, his unending search for the perfect form and his attempts to use the clay to the limit of its possibilities.

The Cremer collection is the municipality is constantly being added to, and twice a year a special exhibition of work for sale is held. Artists are invited to contribute their work and no commission is charged on sales. The museum itself is not intended to make a profit.

Cultural conferences and meetings also take place and it was at one of these in 1975 that Keramion's most ambitious project was founded—an exhibition of European ceramics, representing the work of more than 70

artists from 19 countries, below cost price, as well as other publications produced by the museum, such as a directory and atlas of ceramic artists in West and East Germany, Switzerland and Austria.

By a stroke of fortune the acoustics in the building are extremely good for music, and concerts organized by Keramion is most certainly unique. Far from being a lifelong dream, it came into being almost by chance, meetings also take place and possibilities became clear.

It is inevitably a relations exercise for Cremer Group, but an attempt is made to present the name or charms of the artists to the public. The example of industrial potters is found anywhere.

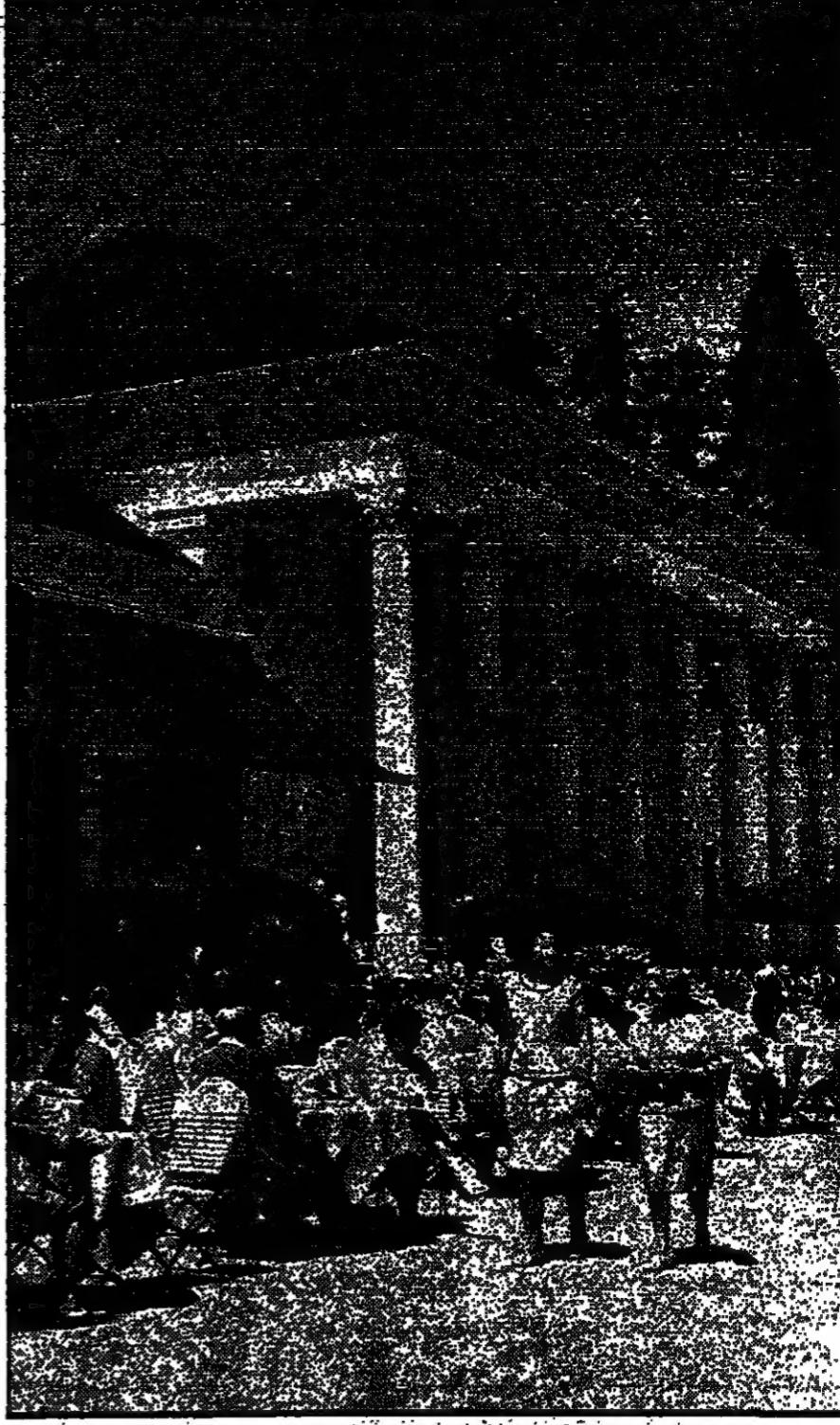
Frechen cannot compete with its large neighbour, Cologne, for cultural activity, but Keramion has its unique cultural element. Not surprisingly, made Dr Cremer a lifelong dream, it came into being almost by chance, meetings also take place and possibilities became clear.

mat
ngres
strigh
ning

ntional



Visitors to Baden-Baden take their pleasures seriously—at the casino, reputed to be the wealthiest in the world—in a carriage ride and in the Kurhaus gardens.



Who offers you more comfort between Britain and Germany?



Choose your Airbus connection in our Yellow Book.

Relax in the wide-bodied comfort of Lufthansa's European-made Airbus which operates from Heathrow to Frankfurt. Daily flight LH037 from Heathrow 19.00, arriving Frankfurt 20.25, returning next day LH034 16.35 and arriving Heathrow at 18.10. Ask your travel agent or Lufthansa for the Yellow Book.



Lufthansa
German Airlines

Historic spa bubbles along merrily on wave of nostalgia

By Geoffrey Weston

"BAD" stood out on the taxi number plate, as I walked out of the station, and on nearly all the cars as I was driven up the narrow river valley into the centre of town. The fantasy that Baden-Baden had reversed its traditional image of respectability quickly passed. The famous spa is exactly as I pictured it, prospering on an old economic formula more common to the middle years of the nineteenth century than the last quarter of the twentieth.

The essence of the town lies in less than half a mile along the river Oos, which flows tidily down a series of artificial steps between impeccably tended banks. On one side are the gardens and terraces of imposing old houses; on the other the tree-lined Lichtensteinallee. The classical facades of the Kurhaus and the pump room, against a steep backdrop of trees and standing back behind formal gardens and romantic gas lamps, form a glorious sequence. At one end of it a short pedestrian way lined with magnificently expensive boutiques runs down to the little river.

On the opposite bank narrow streets lead to the nineteenth-century Baroque splendours of the Friedrichsbad and the modern luxury of the Augustabad, the twin centres for thermal treatment, overlooked by a suitably romantic Schloss. Baden-Baden lives over weightily off visitors: 800,000 a year. In summer almost half of them come to imbibe the spa water, bob up and down in its innumerable steam or wallow in more complicated treatments from mud baths to underwater massage. Most of the rest are tourists or conference delegates. A two-hour wander round the hot and cold rooms and a dip under the rotunda of the Friedrichsbad before sloping on a bed in the rest room costs only DM18, but in spite of the difficulty of making the thermal ends meet, medical treatment can be expensive.

The source of the spa water is a remarkably small area around the market place, and trial borings in many surrounding areas have proved abortive. The spring discovered by the Romans eased the rheumatics of the Emperor Caracalla, but it was not until the early ninth century that Baden-Baden's prosperity really soared and the local population switched from breeding pigs to making money.

If the town's leaders do not have the panache of the Benazers, they realize that Baden-Baden needs to change gaily and smartly provided the route wheels turn, then the plush hotels will maintain their aristocratic image and the gardens of the Kurhaus their charm. Key figures in this process are the Lord Mayor, Dr Walter Carien, a solid bureaucrat focused on its past.

By 1830 only one in five people came for the cure and the quietly elegant dinner of the casino. But the rest came to amuse themselves with concerts, balls, lavish parties, riding and to lose their money.

Jacques Bénazet came from Paris to lease the spa, and it was primarily his vision and that of his son Edouard that turned Baden-Baden into the summer capital of Europe until 1870, when the Prussians closed the casino. The dream of the aristocracy crowded the town every summer and even Bismarck, arriving at short notice, had to spend several nights sleeping in a cabin when no other accommodation could be found.

The theatre, for which Berlin wrote *Beatrice and Benedict*, his last opera, and the Riesenthal racecourse, laid out on flatter ground nearer the Rhine Valley, date from these golden years.

The two world wars made little impact, but the economic crisis of the early 1930s brought the town close to ruin. With the hotel business on the edge of bankruptcy, permission was given to reopen the casino. In the post-war years it was still clear that here lay the town's future, and the spa industry—a mixture of clinics, physiotherapy, painting and textiles—is kept safely out of the narrow confines of the valley.

The casino is reported to be the wealthiest in the world and could well be the last, being run by the town council. To its right of the entrance, with the aim of attracting traffic from the town, roads must be built up to reveal the Roman remains beneath, while that pedestrian precinct is being edged gingerly out of the narrow confines of the valley.

A plan to divert the and sink an esplanade bed was dropped after public outcry. But four car parks are being built to the west of the old town, and the market place is being

up to reveal the Roman remains beneath, while that pedestrian precinct is being edged gingerly out of the narrow confines of the valley.

The casino is reported to be the wealthiest in the world and could well be the last, being run by the town council. To its right of the entrance, with the aim of attracting traffic from the town, roads must be built up to reveal the Roman remains beneath, while that pedestrian precinct is being edged gingerly out of the narrow confines of the valley.

Eighty per cent of the DM34m income is paid into the Land government, but a large proportion is spent on the young. To its right of the entrance, with the aim of attracting traffic from the town, roads must be built up to reveal the Roman remains beneath, while that pedestrian precinct is being edged gingerly out of the narrow confines of the valley.

Although it mirrors the nineteenth century, at its sturdiest in the 1920s, the costly staid

panache of a further hundred years, it has evolved to a whiff of brashness or a certain note of pop.

In place of the frivolous young courtesans and the frogs and prunes, most

casino visitors are now well-preserved business people, 40 to 50 years old, while the average spa guest is over 50. The present population reflects this trend and makes no discernible impression on local character.

One of the big houses is owned by a steel magnate and, for a visitor cannot be expected to stay for several months, the owner of a super-market chain.

If the town's leaders do not have the panache of the Benazers, they realize that Baden-Baden needs to change gaily and smartly provided the route wheels turn, then the plush hotels will maintain their aristocratic image and the gardens of the Kurhaus their charm. Key figures in this process are the Lord Mayor, Dr Walter Carien, a solid bureaucrat focused on its past.

Apart from the vogue for picnics under the trees of the Oos and trips into the surrounding Black Forest, the main lure was gambling.